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Recent Legislation

The public Acts of Parliament passed between October and December 1983 are listed below.

British Shipbuilders (Borrowing Powers) Act 1983. Amends the Aircraft and Shipbuilders Act 1977. Royal Assent: 21.12.83. Ch 58, ISBN 0 10 545883 X, HMSO, 35p.

Coal Industry Act 1983. Increases the borrowing limits of the National Coal Board and its wholly owned subsidiaries from £5,000 million to £5,500 million with provision for an increase to £6,000 million, subject to parliamentary approval. Royal Assent: 21.12.83. Ch 60, ISBN 0 10 546083 4, HMSO, 75p.

Consolidated Fund (No 3) Act 1983. Gives parliamentary authority for sums to be issued out of the Consolidated Fund to meet the Government's expenditure requirements. Royal Assent: 21.12.83. Ch 57, ISBN 0 10 545783 3, HMSO, 35p.

Oil Taxation Act 1983. Varies the reliefs on specified expenditure incurred on oilfield assets and brings into the scope of petroleum revenue tax amounts received in respect of these and certain other assets. Royal Assent: 1.12.83. Ch 56, ISBN 0 10 545683 7, HMSO, £4·50.

Petroleum Royalties (Relief) Act 1983. Exempts holders of petroleum production licences from royalties in respect of petroleum extracted from certain new offshore oilfields. Royal Assent: 21.12.83. Ch 59, ISBN 0 10 545983 6, HMSO, 35p.

Northern Ireland: Renewal of Emergency Provisions

The emergency powers to deal with terrorism in Northern Ireland were renewed in the House of Commons on 8 December 1983 for a further six months. The debate took place the day after the murder in Belfast by the Provisional IRA of an Official Unionist member of the Northern Ireland Assembly. Six people died and 92 were injured as the result of a car bomb explosion outside Harrods in London on 17 December; the Provisional IRA also admitted responsibility for this attack.

Secretary of State's Speech

Opening the debate in the House of Commons on an Order to renew the Northern Ireland (Emergency Provisions) Act 1978[1] for a further six months (*Hansard*, Vol 50, No 66, cols 521-77), the Secretary of State for Northern Ireland, Mr James Prior, said that the murder the previous day of Mr Edgar Graham, an Official Unionist member of the Northern Ireland Assembly, so soon after the murders in the Chapel at Darkley (see p 399, 1983), underlined the needless suffering and waste inflicted by the terrorists on Northern Ireland. It underlined, too, the 'callous hypocrisy' of those who sought to take part in the democratic process and yet supported the use of violence. If Provisional Sinn Fein expected to take part in democratic institutions they should use the ballot box and the power of persuasion to convince people of their cause. What they should not do was to use the excuse of the ballot box and at the same time commit themselves to the use of violence and the Armalite rifle. When they said that they represented their constituents and sought to deal with their problems they were, in fact, condemning their constituents to lives of destruction, fear and poverty, since the policies they pursued caused poverty and fear. This was complete hypocrisy and should be shown up and seen for what it was.

Security Policy

Mr Prior said that in addition to the deaths at Darkley and the murder of Mr Graham, there had been other killings by terrorists from both sides of the community in recent weeks. A sense of insecurity had been engendered in the border areas as well as in other parts of Northern Ireland. There was no doubt that the security forces were acting with firmness, determination and the utmost professionalism. The Government's security policy was clear and resolute: to do everything possible to put an end to terrorism. However, he emphasised, this had to be done by means that were within the law. He believed that this policy

[1]The Act provides special powers for the security forces to arrest and detain suspected terrorists; for non-jury courts to try terrorist cases; and for the proscription of organisations involved in terrorism.

commanded the support of the whole House and should command the support of all the constitutional parties in Northern Ireland.

Mr Prior re-emphasised his determination not to give way to terrorism, either by acceding to the political demands of the terrorists, which would undermine democracy not only in the United Kingdom but in the Republic of Ireland and beyond, or by sanctioning illegal and destructive behaviour in Northern Ireland.

The emergency powers were, of course, exceptional. They were one element in the Government's continuing effort to create the conditions for a long-term end to terrorist violence. The security forces had to have the powers needed to carry out their duties effectively. Mr Prior reminded the House of the independent review of the Northern Ireland (Emergency Provisions) Act being conducted by Sir George Baker (see p 221, 1982) who he believed might be able to report in about two or three months time. There would be time for the House to debate the report and in the meantime the Government would not wish to propose any change to the provisions in force.

Mr Prior concluded by saying that the British people were steadfast and unmoved by terrorism and expected him to work for peace in every possible way.

Opposition Views

The official Opposition spokesman on Northern Ireland, Mr Clive Soley, said that terrorism posed a challenge to the democratic state. There were organisations on both the republican and unionist sides involved in killing and all should be condemned. The aim of the paramilitary groups was to present themselves as protectors of their communities and to undermine the legitimacy of the State. The Labour Party had welcomed the review by Sir George Baker. The so-called emergency and temporary powers were a danger to democracy. The exercise of these powers could alienate the minority community in Northern Ireland. A return to jury trials was important even if difficult at present; perhaps they should be used in cases involving informers. A useful way forward would be to discuss with the Irish Government the possibilities of an all-Ireland court and an all-Ireland police force. There was a strong case for making flexible, innovative and constitutional changes that would not force the Unionists into a united Ireland.

Mr Stephen Ross, speaking for the Liberal Party, said that he supported the Secretary of State's declaration that the defeat of terrorism was the principal concern. He believed that the only sensible way forward was to get the closest possible co-operation with the Irish Government in the defeat of terrorism and the strengthening of economic links. The Liberal Party would like to see the establishment of an independent prosecution service in Northern Ireland; jury trials should be re-introduced where there was not a substantial risk of intimidation or a perverse verdict; the emergency provisions should have a fixed life of three years; and there was a need for the police to tape-record interviews. He felt anxiety about convicting on the evidence of 'supergrasses' (informers) in Northern Ireland as he did in England and Wales.

HARRODS BOMB ATTACK

On Saturday 17 December 1983, a bomb exploded in a car parked in Hans Crescent outside Harrods killing five people and injuring 92. The five killed were a policeman, a policewoman, a young mother, a reporter and a United States citizen. A sixth person, also a policeman, died subsequently of his injuries.

In a statement on the bombing in the House of Commons on 19 December (*Hansard*, Vol 51, No 73, cols 19-27) the Home Secretary, Mr Leon Brittan, said that the IRA had admitted responsibility for the attack as well as for a bomb which exploded outside Woolwich Barracks on 10 December. It had claimed that the attack was unauthorised and would not be repeated and regretted the civilian casualties. Mr Brittan said he found the disclaimer of responsibility utterly contemptible and rejected the implied distinction between civilian and police casualties. What had happened was that the IRA had found that the action taken had caused universal revulsion and condemnation. It was a piece of 'nauseating hypocrisy' for it to try and disown it and claim that some kinds of murder were legitimate and others not. Those who perpetrated this crime would already have learnt that their action had in no way weakened the unshakeable resolve of the Government and the public that violence would not secure the terrorists' objective.

Shorter Note

TELEVISING HOUSE OF LORDS PROCEEDINGS

The House of Lords has voted in favour of televising some of its proceedings for an experimental period and has instructed its Sound Broadcasting Committee to consider and report on how the experiment should be conducted.

After a debate on 8 December 1983 in which the motion in favour of public televising had been moved by Lord Soames (Lord President of the Council and Leader of the House of Lords from 1979 to 1981), the motion was carried by 74 votes to 24 – a majority of 50. During the debate, the present Lord President of the Council and Leader of the House of Lords, Viscount Whitelaw, who was given responsibility for co-ordinating the presentation of government policy in December 1983, spoke strongly in favour of the motion. He referred to the central role of television in the national life and said that Parliament would become increasingly irrelevant and disregarded if it continued with its refusal to allow the televising of its proceedings. Lord Whitelaw said that any decision to televise proceedings in the Lords would put pressure on the House of Commons to follow suit and he said that the period of consideration on how the experiment should proceed would enable the Commons to take their discussions further.

The House of Lords voted in favour of televising their proceedings in 1966. This led to the setting-up of a Select Committee to consider the subject and in February 1968 to a closed-circuit experiment. In 1969 there was a debate on the results of the experiment, but after that no further action was taken.

The House of Commons has considered the question of televising its proceedings on five occasions in recent years. In 1966, 1975 and 1978 the motion in favour of televising proceedings was rejected, and in January 1980 the vote was tied. On 2 November 1983 a private member's Bill to provide for the televising of proceedings was given a first reading in the Commons.

Sound broadcasting of some of the proceedings of both Houses of Parliament began in 1978 and constitutes an important element in the coverage of parliamentary affairs by the broadcasting authorities.

Sources: *Hansard* (*HL*), Vol 445, No 47, cols 1189-201, 1208-53; *Hansard*, Vol 47, No 40, cols 880-5.

EXTERNAL AFFAIRS AND DEFENCE

North Atlantic Treaty Organisation

Meeting in December 1983, the North Atlantic Council reaffirmed the determination of members of the North Atlantic Treaty Organisation (NATO) to maintain their security with adequate conventional and nuclear forces and urged the Soviet Union and its Warsaw Pact allies to respond to Western disarmament proposals. The Council's meeting was preceded by meetings of NATO's Defence Planning Committee and the Eurogroup.

At a press conference in Brussels on 9 December 1983 at the conclusion of the North Atlantic Council meeting, the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, said that the main message of the meeting was that all the Allies wanted a constructive relationship with the members of the Warsaw Pact. The four components to this, he explained, were close consultation among NATO Allies; a sensible trade relationship based on mutual advantage; businesslike contacts with the governments of the Warsaw Pact; and continuing efforts for balanced arms control. On the first, the Foreign Secretary described the thoroughness of Alliance consultation over intermediate nuclear forces as having been 'an important feature of our success' in 1983 (see pp 418-20, 1983). He also pointed out that the Allies' genuine concern for balanced arms control was beginning to be understood, and added: 'We will not be put off by walkouts, suspensions and threats. The stakes are too high and the opportunities for genuine balanced arms control should be better than for many years.' Noting that the management of East-West relations, in a sensible and calm manner, would be a priority for all NATO members in 1984, Sir Geoffrey said that the Brussels Declaration (see p 9) had set out the position of the Alliance 'quite crisply and clearly'.

Referring to the retirement of Dr Joseph Luns as Secretary-General of NATO in June 1984, Sir Geoffrey said that he had conveyed a message from Lord Carrington, Foreign and Commonwealth Secretary from 1979 to 1982, accepting the unanimous invitation of the North Atlantic Council to succeed Dr Luns.

NORTH ATLANTIC COUNCIL

The following communiqué was issued after the Council meeting (headings added):

The North Atlantic Council met in Ministerial Session in Brussels on 8 and 9 December 1983. Ministers agreed as follows:

In the spirit of cohesion and solidarity, the Allies remain determined to safeguard their freedom and independence, to prevent war, and to build the foundations of lasting peace and security in the NATO area. They will maintain military strength adequate to guarantee their collective security. None of their weapons will ever be used, except in response to attack. They remain firmly committed to balanced and verifiable arms control at the lowest possible level of forces, and will work for greater stability and progress towards genuine détente in East-West relations.

NATO Defence

The Allies remain resolved to deter aggression and attempts at intimidation. They will meet their legitimate security requirements with the conventional and nuclear forces necessary. They will devote resources and energy to the modernisation of conventional forces, seeking a more effective and balanced transatlantic armaments cooperation. The Allies note with great concern that the Soviet Union continues its military build-up, which far exceeds defence needs, while promoting a concept of its own security which is unacceptable because it rests on maintenance of inequality in its favour.[1]

East-West Relations

The Allies call on the Soviet Union to act with restraint and responsibility in its international behaviour and to co-operate with the West to promote a more constructive East-West dialogue aimed at reducing international tension. Rejecting any spirit of confrontation, the Allies reaffirm their determination to develop contacts and cooperation with the Warsaw Pact countries on the basis of mutual interest. While maintaining a firm and realistic attitude, the Allies would welcome any serious proposal aimed at restoring confidence between East and West. Ministers instructed the Permanent Council to undertake a thorough appraisal of East-West relations with a view to achieving a more constructive East-West dialogue and to report to the Ministerial Meeting in spring 1984.

[1]Greece expressed its views on the second part of the last sentence of this paragraph.

The Soviet Union bears a heavy responsibility in the current state of international relations. By its behaviour, as in Afghanistan and towards Poland, and by recourse to persecution of human rights supporters, it has created serious obstacles to the normal development of relations.[1]

Poland

The situation in Poland continues to give cause for serious concern. Some of the steps taken by the Polish authorities, such as the lifting of martial law and the amnesty for most political detainees, contrast with the introduction of other measures which reinforce a repressive system. The Allies call on the Polish authorities to respect the aspirations of the people for reform and to abide by the commitments in the Helsinki Final Act and the Concluding Document of the Madrid Conference, particularly with regard to trade union freedom and civil rights [see p 327, 1983]. *They are ready to respond to steps which create the opportunity for constructive political and economic relations with the West.*

Afghanistan

The Allies condemn the Soviet Union's continuing and intensified aggression against Afghanistan in violation of the United Nations Charter and in flagrant disregard of repeated calls by the United Nations General Assembly. They deplore the terrible suffering inflicted upon the Afghan people by Soviet forces. The withdrawal of these forces is essential for a political settlement to restore Afghanistan's independence, sovereignty and non-aligned status; to permit the voluntary return of refugees; and to provide the opportunity for the Afghan people to exercise freely its right to self-determination.

East-West Trade

Trade conducted on the basis of commercially sound terms and mutual advantage, that avoids preferential treatment of the Soviet Union, contributes to constructive East-West relations. At the same time, bilateral economic relations with the Soviet Union and the countries of Eastern Europe must remain consistent with broad Allied security concerns. These include avoiding dependence on the Soviet Union, or contributing to Soviet military capabilities. Thus, development of Western energy resources should be encouraged. In order to avoid further use by the Soviet Union of some forms of trade to enhance its military strength, the Allies will remain vigilant in their continuing review of the security aspects of East-West economic relations. This work will assist Allied governments in the conduct of their policies in this field.[2]

European Security

The successful conclusion of the Madrid Meeting contributes to the strengthening of the CSCE [Conference on Security and Co-operation in Europe] *process* [see pp 325-8, 1983]. *Although the Concluding Document agreed in Madrid falls somewhat short of the Allies' proposals, it is none the less substantive and balanced. The Allies attach equal importance to the implementation by all the CSCE countries of all provisions of both the Helsinki Final Act and the Madrid document, including their humanitarian aspects. An important result of the Madrid meeting was the agreement on a precise negotiating mandate for the Conference on Confidence and Security Building Measures and Disarmament in Europe (CDE) due to open in Stockholm in January 1984.*

Arms Control

Since peace can and must be made more secure through equitable and verifiable agreements on disarmament and arms control, as well as through a balance of forces, the Allies have put forward a comprehensive series of proposals in this field. Their commitment to ensure security at the lowest possible level of forces was recently demonstrated by the member countries of the Nuclear Planning Group announcing at Montebello the withdrawal of 1,400 nuclear warheads from Europe, in addition to the reduction of 1,000 in 1980 [see pp 420-1, 1983]. *The resulting stockpile will be the lowest in Europe for some 20 years. The Allies urge the Soviet Union to contribute to disarmament efforts in a concrete way and not to substitute declaratory proposals for deeds.*

Nuclear Forces

Ministers underline that the two-track decision of December 1979 by Allies concerned demonstrates the commitment of the Alliance to preserve peace and stability at the lowest possible level of forces. The Allies concerned reaffirm their commitment to pursue a balance of intermediate-range forces through arms control negotiations with the USSR. The progress report of the Special Consultative Group provides a comprehensive account of United States efforts, on the basis of close consultations with other involved Allies, to achieve such an agreement.

Unfortunately, the negotiations in Geneva have not yet achieved concrete results, due to the Soviet effort to maintain their monopoly of long-range land-based INF missiles. Deployments of Pershing II and ground launched cruise missiles are thus proceeding in accordance with the December 1979 decision. Building on progress already achieved in Geneva, an agreement eliminating this entire category of United States and Soviet weapons, or at a minimum, limiting them to the lowest possible level, remains attainable. Allies concerned stress their willingness to continue negotiation and to halt, modify, or reverse the deployments now under way, on the basis of such an agreement. These Allies will continue to consult closely on steps directed toward achievement of this objective.

The Allies note with regret the unjustified Soviet decision to leave the negotiating table in Geneva [see pp 418-20, 1983]. *The United States has negotiated over the past two years while Soviet deployments of SS20s have grown by over 300 warheads. The Allies believe that the Soviet Union shares an interest with the United States in reducing nuclear weapons through negotiated*

[1]Greece expressed its views on the contents of this paragraph.

[2]Greece recalled its position on various aspects of this paragraph.

agreement. The Allies therefore call for bilateral negotiations on intermediate-range nuclear forces to resume as soon as possible.[1]

The Allies fully support the United States efforts in the Strategic Arms Reduction Talks (START), and they welcome the recent American initiatives which provide the basis for a significant build-down of US and Soviet strategic weapons. In particular, the United States has indicated its willingness to discuss trade-offs in areas of each side's particular interest and advantage in order to achieve an equitable agreement which promotes stability. The Allies call on the Soviet Union to respond to these initiatives in a positive spirit. In this connection they note with regret the recent Soviet failure to agree to a specific date for the opening of the next round of the talks.

Stockholm Conference

The Conference on Confidence and Security Building Measures and Disarmament in Europe (CDE) is an important part of the CSCE process and provides new possibilities for increasing security throughout Europe. Allied countries will table a comprehensive package of concrete measures, in conformity with the mandate agreed in Madrid, designed to promote military openness in order to increase confidence and security and reduce the risk of surprise attack. They are resolved to negotiate actively for an early agreement on politically binding, militarily significant and verifiable measures which will cover the whole of Europe. As a sign of their determination, Ministers will themselves attend this Conference.

Conventional Disarmament

The Allies participating in the Mutual and Balanced Force Reductions (MBFR) talks reaffirm their determination to work for a mutually acceptable solution to the issues still barring progress. The Western draft Treaty presented last year provides a basis for a sound agreement. These Allies hope that the most recent Eastern statements indicate a new willingness to address the long-standing basic issues of the Vienna negotiations and they are reviewing the state of these negotiations also in the light of these statements.[2]

Chemical Weapons

In the Committee on Disarmament, the Western participants continue to strive for concrete disarmament agreements. They consider as a priority task for this Committee the elaboration of a verifiable agreement banning the development, production and stockpiling of all chemical weapons.

The Allies remain gravely concerned about strong evidence of continued use of chemical weapons in South East Asia and Afghanistan, in violation of international law, and of Soviet involvement in the use of such weapons.[3] *They welcome the fact that the United Nations is continuing to develop procedures to investigate allegations of the use of chemical weapons.*

Outer Space

In the context of efforts aimed at the prevention of an arms race in outer space, the Allies have also proposed in the Committee on Disarmament that the existing international law concerning the peaceful use of outer space be reviewed.

Berlin

The maintenance of a calm situation in and around Berlin remains of fundamental importance to East-West relations. This continues to depend in particular on the strict observance and full implementation of the Quadripartite Agreement of 3 September 1971. The Allies hope that the further development of co-operation between the Federal Republic of Germany and the German Democratic Republic will benefit Berlin and the people in both states in Germany and will strengthen peace in Europe in the current state of international relations.

Deployments Outside the NATO Area

The Allies urge respect for the sovereignty of states everywhere and for genuine non-alignment. They recognise that events outside the Treaty area may affect their common interests as members of the Alliance. They will engage in timely consultations on such events, if it is established that their common interests are involved. Sufficient military capabilities must be assured in the Treaty area to maintain an adequate defence posture. Allies who are in a position to do so will endeavour to support those sovereign nations who request assistance in countering threats to their security and independence. Those Allies in a position to facilitate the deployment of forces outside the Treaty area may do so, on the basis of national decision.

Terrorism

The Allies condemn terrorist acts, which are a threat to democratic institutions and to the conduct of normal international relations. Recalling the relevant provision of the Bonn Declaration [see p 232, 1982], *they reiterate their determination to take effective measures for the prevention and suppression of such criminal acts.*

Economic Assistance

The Allies recall their commitment under Article 2 of the North Atlantic Treaty and reaffirm the importance of programmes intended to benefit the economies of less-favoured partners.

Ministers noted with regret the intention of Secretary-General Dr Joseph Luns to relinquish his post. They invited Lord Carrington to become Secretary-General of the Organisation as from 25 June 1984 and expressed satisfaction at Lord Carrington's acceptance.

Note: *The Minister of Foreign Affairs of Spain informed the North Atlantic Council about the review undertaken regarding Spanish participation*

[1]Denmark and Greece reserved their positions on this paragraph.

[2]The latest session in the talks on mutual and balanced force reductions in Europe ended on 15 December 1983 without the Warsaw Pact countries participating in the negotiations agreeing with the West to name a date for their resumption.

[3]Greece recalled its position as it has been expressed during the previous Ministerial sessions.

in the Alliance and in consequence reserved his Government's position on the present communiqué.

DECLARATION OF BRUSSELS

In a separate document, the Declaration of Brussels, issued on 9 December 1983, NATO member states reaffirmed their dedication to the maintenance of peace and freedom and re-emphasised that the Alliance did not threaten anyone. 'None of our weapons will ever be used except in response to attack. We do not aspire to superiority, neither will we accept that others should be superior to us. Our legitimate security interests can only be guaranteed through the firm linkage between Europe and North America. We call upon the Soviet Union to respect our legitimate security interests as we respect theirs.'

Reiterating their determination to ensure security on the basis of a balance of forces at the lowest possible level, the Allies urged the Warsaw Pact to seize the opportunities offered by NATO for a balanced and constructive relationship and for genuine détente. Progress needed to be made in the strategic arms limitation talks, the intermediate-range nuclear forces talks, the negotiations on mutual and balanced force reductions, and the endeavours to obtain a complete ban on chemical weapons in the United Nations Committee on Disarmament. The Allies were also resolved to use the forthcoming Stockholm Conference 'as a new opportunity to broaden the dialogue with the East, to negotiate confidence-building measures and enhance stability and security in the whole of Europe'.

In conclusion, the declaration said that members of the Alliance would continue to do their utmost to sustain a safe and peaceful future. 'We extend to the Soviet Union and the other Warsaw Pact countries the offer to work together with us to bring about a long-term constructive and realistic relationship based on equilibrium, moderation and reciprocity. For the benefit of mankind we advocate an open, comprehensive political dialogue, as well as co-operation based on mutual advantage.'

DEFENCE PLANNING COMMITTEE

Meeting in Brussels on 6 and 7 December 1983 the Defence Planning Committee reiterated that NATO was a defensive alliance and was committed to preserving peace 'at the lowest level of forces capable of deterring the Warsaw Pact threat'. Member states urged the Soviet Union 'to match NATO's restraint and to reduce rather than continue to increase the levels of its nuclear weapons'.[1] NATO, while seeking a stable balance at lower levels of forces through militarily significant, equitable and verifiable arms control agreements, would continue to provide the capabilities necessary 'to ensure deterrence of aggression by means of a strong defence'.

[1]The NATO Special Consultative Group, meeting in Brussels on 11 January, noted that the number of operational SS20 launchers deployed throughout the Soviet Union totalled 378 with 1,134 warheads.

NATO's strategy of flexible response and forward defence, which remained the basis for its defence, required a balanced triad of forces, with the strengthening of the conventional component being particularly urgent. Against this background, ministers adopted the NATO Force Plan for 1984-88 and agreed to do their utmost to make resources available for the essential enhancement of their deterrent and defence forces.

The Defence Planning Committee recognised that in current economic circumstances the improvement of NATO's defence posture constituted a considerable challenge. It was imperative that national consideration of any change to existing commitments should take account of Alliance needs and priorities. Ministers emphasised the importance of making the best use of available resources and of exploiting NATO's technological strength through greater emphasis on co-operation and co-ordination in defence planning and in research, development and production; improved co-ordination of NATO infrastructure planning to bring support facilities more in line with the projected needs of NATO forces while providing an appropriate level of funding to ensure their operational effectiveness; a more effective and balanced framework of transatlantic co-operation; the use of available or emerging technologies to make substantial and yet affordable improvements in conventional defence, particularly within the context of the defence trade between North America and Europe; the establishment of priorities based on the application of rigorous criteria of military value and cost-effectiveness; adequate use of the industrial capabilities of member countries in the field of defence equipment; and effective steps to restrict the transfer of militarily relevant technology to the Warsaw Pact.

While NATO's purpose was to preserve the security of the North Atlantic Treaty area, ministers again acknowledged that developments outside this area might threaten the vital interests of members of the Alliance. They recalled their agreement to take full account of the effects of such developments on NATO security, defence capabilities and the national interests of member countries and the need to consult on the basis of commonly identified objectives. They also recalled the Bonn summit statements (see pp 231-2, 1982) and re-endorsed their communiqué of June 1983 (see pp 223-4, 1983) which stated that countries such as the United States, which had the means to take action, needed to do so in timely consultation with their Allies and that other members could make an important contribution to Alliance security by providing facilities to assist deployments needed to strengthen deterrence in such areas.

Noting that NATO's task of preserving peace and freedom and preventing war required a full spectrum of credible military forces, a stable military balance and the strategy of flexible response, ministers pointed out that the firm support of the peoples of the Alliance and the provision and effective use of adequate resources were essential to fulfil these aims. 'While military strength alone cannot provide long-term security,' they concluded, 'it provides the foundation for the

development of peaceful relations through dialogue and communication.'[1]

EUROGROUP

Meeting in Brussels on 5 and 6 December 1983, defence ministers of the Eurogroup countries (Belgium, Britain, Denmark, the Federal Republic of Germany, Greece, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain and Turkey) noted that a strong and united alliance was the guarantee of freedom from the threat of aggression both through the provision of adequate forces for deterrence and by providing a firm foundation for the search for balanced and verifiable measures of arms control and disarmament. Ministers regarded their discussions as 'an important element in achieving their fundamental aim of strengthening the Alliance by ensuring that the European contribution to the transatlantic partnership is as strong and cohesive as possible'.

Conventional Defence

Ministers reviewed a number of aspects of NATO's conventional defence, including reports on practical co-operation on logistic stocks and possible improvements in the combat training of pilots, as well as the plans of Eurogroup countries participating in NATO's integrated military structure to introduce new equipment in their armed forces in 1984. On the possibilities offered by emerging technology, ministers noted that owing to budgetary constraints, priorities would have to be established and they reaffirmed the importance of ensuring the exchange of defence technology among the Allies and the use of technical capabilities of all member states while protecting such technology from acquisition by the Warsaw Pact. All governments had a greater role to play in establishing and developing co-operation and in redressing the present imbalance in the transatlantic armament trade. In this context, ministers welcomed the decision of the United States to reverse the restrictive legislation on special steel products passed two years ago which had threatened to impede that progress.

Major Acquisitions and Improvements

Details of major acquisitions and improvements to strengthen conventional defence in 1984 were described in a separate statement attached to the communiqué. These include the entry into service of some 700 main battle tanks (mostly the advanced Leopard or Challenger), over 350 other armoured vehicles, 60 heavy artillery pieces and over 40,000 man-portable anti-tank systems, ranging from the Milan guided missile to lighter short-range rocket launchers, designed to counter the threat posed by the Warsaw Pact armoured divisions. New equipment in the air will comprise 260 combat aircraft such as the advanced F-16 and Tornado, and 40 tanker, transport and airborne-early-warning aircraft; transport helicopters to enhance tactical mobility; and air-defence ground radar and communication systems. At sea 30 warships will be introduced, including eight frigates and destroyers, ten mine-warfare vessels, six fleet tankers, two submarines (one nuclear powered) and four fast patrol boats; more than 20 anti-submarine helicopters will also be introduced.

Modernisation of existing equipment will include the fitting of main battle tanks with improved computerised fire control systems and of armoured personnel carriers with anti-tank guided missiles and the provision of new sonars and sights to all these forces. Better electronic warfare capability is to be given to combat aircraft and advanced radar, sonar, and satellite communication systems to frigates, destroyers and other warships. New weapons systems, particularly for air defence, are also being fitted to warships. On manpower strengths, the statement notes that European countries provide the great majority of NATO's ready forces in-place. Some 2,340,000 men and women are currently in active service in these European forces which are integrated in NATO's military structure.

[1]Spain, which is reviewing its participation in the Alliance, reserved its position on the communiqué.

Falkland Islands Economy

The reconstruction and development of the Falkland Islands was a major theme of a speech by Lady Young, Minister of State at the Foreign and Commonwealth Office, in the House of Lords in December 1983.

Speaking on 6 December (*Hansard* (*HL*), Vol 445, No 45, cols 995-1061), Lady Young said that the British Government would persevere in its work to enable the Islanders to resume, as far as possible, their pattern of life and to this end had made £46 million available for the economic and social development of the Islands. Of this, some £15 million had been allocated for urgent rehabilitation and repair work following the cessation of hostilities and £31 million over the next six years for longer-term economic development. Some £12 million had been spent on rehabilitation, including the re-equipment of the government air service, road repair work, the construction of 54 prefabricated houses and the provision by the British Government of fuel, plant, tools, building materials, equipment and 20 mobile houses. The £31 million, said Lady Young, was being devoted exclusively to the future economic development of the Islands and this included the creation of a Falkland Islands Development Corporation, expansion of the Islands' agricultural research centre and a feasibility study on an improved harbour complex. Consideration was also being given to projects for tourism and fisheries development, to improving power and water supplies and telecommunications, and to land reform.

Agriculture and Fisheries

The new development corporation would have the power to make loans and grants to small-scale projects as well as to provide loans for agricultural improvements. The British Government had made available to the Falkland Islands Government some £450,000 for the purchase of a large farm on West Falkland and this had been subdivided for

sale or lease to those Islanders interested in farming their own land. The purchase or lease of another two farms was under consideration. Both Britain and the Falkland Islands Government favoured a gradual approach to land distribution rather than the wholesale transfer of absentee-owned land recommended by the Shackleton report (see pp 14-18, 1983). This approach was also right in terms of realistic estimates of immigration. An agricultural mission, under the auspices of the Overseas Development Administration, was in the Islands to evaluate the results of farming on land subdivided before the 1982 hostilities.

The agricultural mission was also putting the final touches to the proposal to expand the Falkland Islands Agricultural Research and Development Centre (the former Grasslands Trials Unit). If this proposal was found to be satisfactory, the Centre would continue with the primary objective of identifying, researching, developing and refining methods for the greater production of wool by developing new sheep-farming systems. Approval had also been given for a loan to be made to establish a wool mill at Fox Bay East on West Falkland to produce machine knitting yarn from the local wool. Some of the yarn would be sold to local and United Kingdom home knitters and to United Kingdom garment manufacturers. The remainder would be knitted at Fox Bay East into garments for sale locally and by mail order overseas.

On fisheries Lady Young said that the implications of a 200-mile exclusive fishing limit were under consideration and that the Falkland Islands Government was considering commercial proposals for exploratory offshore and inshore fishing. A final report from consultants recommending the establishment of a pilot plan for salmon ranching was also on its way to the Islands.

Infrastructure

Consultants provided by the British Government had completed their studies of future power and water requirements for Port Stanley and on town planning. Implementation would depend upon the reaction of the Falkland Islands Government and on the British Government approving the finance.

Lady Young added that finance was being allocated from the development grant to establish a small-scale industrial estate in Port Stanley which would provide units for potential entrepreneurs wanting to set up ventures such as garage and electrical repair workshops. Arrangements were also well advanced to establish permanent boarding school facilities for secondary school children in Port Stanley. In addition Britain had provided advice and guidance on ways in which the Falkland Islands Government could develop its education and medical services. Under the aid programme there were over 50 expatriate officers working in such fields as agriculture, education, public works, medicine and civil administration.

Referring to the building of the new airfield at Mount Pleasant, Lady Young said that, while this would facilitate the rapid reinforcement of the garrison in the event of the Islands coming under active threat, Britain hoped that the airfield's civilian functions would become its primary purpose since civilian traffic would increase with every step taken towards the stimulation and diversification of economic activity in the Islands.

British Aid Statistics

Figures published in December 1983 show that Britain's official aid programme in 1982 was the fifth largest among Western industrialised countries and represented a larger proportion of gross national product than those of the United States or Japan.

The figures, published in the annual *British Aid Statistics*,[1] reflect the British Government's commitment to maintain a substantial aid programme within the limits of its economic circumstances. They also show that the total flow of resources, public and private, from Britain to the developing countries, was the fifth largest, being exceeded only by the United States, France, Japan and the Federal Republic of Germany. Britain is the world's second largest overseas investor, with just over a fifth of its overseas assets located in developing countries.

Total Official Flows

Total official flows of British aid to developing countries in 1982 amounted to £1,525 million gross. Of this, £1,092 million represented public expenditure on overseas aid.[2] Public expenditure, the definition of which was changed in 1983 to include all developmental expenditure, now differs from total official flows in two respects, first by excluding expenditure by the Export Credits Guarantee Department (ECGD) which, while benefiting developing countries, is not developmental; and secondly, by recording contributions (promissory notes) to certain international development agencies when they are cashed by the agency instead of, as in total official flows, when the notes are deposited. The relationship between these two concepts in gross and net terms is shown in the table below.

International Targets

Britain's aid represents part of a global effort to raise living standards in developing countries. Aid performance to this end is usually measured against one of two internationally recognised targets. The first, embodied in the Strategy for the Second United Nations Development Decade (1971-80) adopted by the General Assembly in 1970, calls for net flows of official development assistance to be at least 0·7 per cent of gross national product (GNP). Britain has accepted this

[1] *British Aid Statistics 1978-82*. Overseas Development Administration, £5. ISBN 0 90 250010 4.

[2] Total official flows is an international reporting concept and is made up of official development assistance, defined as official flows having a grant (concessional) element of 25 per cent or more, and other official flows. Public expenditure on overseas aid is the main British concept for reporting aid flows, and is made up of the aid programme (£1,008 million gross in 1982), administered by the Overseas Development Administration, and other government expenditure on overseas development (£84 million gross in 1982).

Relationship Between Public Expenditure and Total Official Flows: 1982

£ million

	Gross	Principal repayments	Net
Public Expenditure on Overseas Aid	1,092	94	998
Plus ECGD interest stabilisation grants	364	—	364
ECGD official export credits	—	308	−308
Deposits of promissory notes	239	—	239
Less encashments of promissory notes	169	—	169
Total Official Flows	1,525	401	1,123
Of which *official development assistance (oda)*	1,107	83	1,024
other official flows (oof)	418	319	99

target in principle without commitment to a target date, progress being dependent on Britain's own economic situation and other calls on its resources. In 1982 Britain's net official development assistance totalled £1,024 million or 0·37 per cent of GNP compared with £1,080 million or 0·43 per cent in 1981. The average performance for all donor countries in membership of the Development Assistance Committee (DAC)[1] in 1982 was 0·38 per cent of GNP.

The other international target adopted by the United Nations Conference on Trade and Development in 1968 calls for all flows, both private and official, to developing countries to represent at least 1 per cent of GNP. Britain has exceeded this target for several years, its total flows for 1982 representing 1·27 per cent of GNP (the estimated average for DAC member countries in that year being 1·14 per cent). Flows in 1982 totalled an estimated £3,483 million, the fifth largest among DAC members.

Private flows, which increased considerably between 1974 and 1979 largely as a result of increased foreign currency lending by banks resident for balance of payments purposes in Britain, consist mainly of long-term investment and export credits. These totalled an estimated £2,360 million – over two-thirds of total flows – in 1982 despite a decline in commercial bank lending in that year as a result of high interest rates and the world recession, and included some £50 million in spending overseas by voluntary aid organisations.

Bilateral Aid

Some £674 million of gross public expenditure on overseas aid was bilateral assistance. Of this, about £212 million was provided for the technical co-operation programme, all in grant form, the remainder being financial assistance comprising £329 million in grants, £49 million in inter-governmental loans and £51 million in investment by the Commonwealth Development Corporation (see p 191, 1983). Some £33 million was accounted for by administrative costs.

Some 64 per cent of allocable bilateral aid, £365 million, went to Commonwealth countries, including £22 million for Britain's dependencies, which remain a first charge on the aid programme. Of the remainder, £205 million was disbursed to non-Commonwealth countries and £105 million for the benefit of both Commonwealth and non-Commonwealth countries. The largest individual recipient was India (with £54 million), followed by Sudan (£39 million), Kenya (£37 million), Mexico (£34 million), Sri Lanka (£33 million) and Tanzania (£27 million). The share of allocable bilateral assistance going to the poorest 50 countries (as defined by the World Bank) was £330 million or 58 per cent while over 81 per cent went to countries with a 1980 per capita income of $1,200 or less.

Aid expended on individual projects (project aid) totalled £308 million, the principal sectors supported being energy (£100 million), manufacturing (£71 million), renewable natural resources (£40 million), transport and communications (£39 million) and social and community services (£21 million). Non-project aid totalled £122 million, of which £71 million was for import financing, £22 million for debt cancellation, £12 million for food aid, £10 million for budgetary support and £3 million for debt refinancing.

Aid/Trade Provision

The Aid/Trade Provision (ATP), an allocation of funds within the bilateral aid programme designed to support sound developmental projects of commercial and industrial importance, was set up in 1977 in order to allow British exporters to compete on equal terms for contracts in developing countries. Between its inception and the end of 1982 contract bids supported by ATP funds have resulted in exports of British goods and services worth £1,143 million from an aid input of £229·5 million. Expenditure on ATP in 1982 was

[1]The Development Assistance Committee of the Organisation for Economic Co-operation and Development is not an aid agency but a forum of consultation among 17 donor countries, together with the Commission of the European Community, on how to increase the level and effectiveness of aid flows to developing countries. The member countries are Australia, Austria, Belgium, Britain, Canada, Denmark, Finland, France, the Federal Republic of Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland and the United States.

£63 million; 12 ATP agreements were signed for £115·5 million, which were associated with British exports worth over £680 million. Projects supported included the Jacui Power Station in Brazil, the Super Thermal Power Plant at Rihand in central India, the Mrica hydro-electric scheme in central Java, Indonesia, the Sicartsa Plate Mill in Mexico, a bus maintenance project in Mozambique, and others in Burma, Egypt, Kenya, Paraguay, Peru and Zimbabwe.

Overseas Service

A total of £118·6 million of technical co-operation funds was spent on financing personnel working overseas and students and trainees attending courses either in Britain or in their own or third countries.

The number of British experts working overseas has declined in recent years as nationals of the developing countries have acquired the necessary skills to replace them. Some 5,970 men and women financed from public funds under bilateral arrangements and recruited in Britain served in developing countries during 1982. These included 3,350 serving under supplementation schemes (under which they are in the service of the overseas government as teachers, doctors, nurses, etc., but receive supplementary salary and other payments from the British Government); 1,334 wholly financed under regional technical co-operation and other schemes; and 1,289 as volunteers under the British Volunteer Programme. The number of such personnel recruited during the year was 1,645, of whom 486 were volunteers.

Of the British-financed personnel, including volunteers, overseas in 1982, the largest number, 2,756, were employed in education, followed by 912 in renewable natural resources, 761 in planning and public administration, 567 in public utilities, 533 in health and social welfare, and 424 in trade and industry. A total of 4,023 man-years[1] of work was provided.

Students and Trainees

During 1982 some 12,350 students and trainees from developing countries were financed from public funds under technical co-operation arrangements; of these, 11,710 attended courses in Britain, the remainder in their own or third countries. A total of 5,961 man-years[1] of training was provided, the main beneficiaries being Zimbabwe, India, Nigeria, Kenya, Tanzania and Bangladesh.

The main fields of study were engineering, education, natural sciences, social science including economics, agriculture and medical science.

Multilateral Aid

Over 38 per cent of public expenditure on overseas aid, some £417 million, went to multilateral aid agencies. The major recipients were the European Community (£179·5 million); the World Bank Group (£153·7 million – nearly all for the International Development Association); United Nations agencies (£55·8 million); and Regional Development Banks (£13·7 million).

[1]A measure based on the time each expert spends in post or each student spends on course.

Shorter Notes

EUROPEAN COMMUNITY FISHERIES POLICY

Agreement on the main outstanding problems concerning the European Community's common fisheries policy was reached by fisheries ministers on 14 December 1983. The common fisheries policy, agreed in January 1983, covers access to coastal waters, conservation regulations, allocation of catch quotas among member states, financial aid to promote the modernisation of the Community's fishing fleet, and effective enforcement of Community fishing rules (see pp 54-5, 1983).

Reporting to the House of Commons on 15 December, the Minister of Agriculture, Fisheries and Food, Mr Michael Jopling, said that the Fisheries Council had agreed on the allocations of North Sea herring and that, in the event of catches totalling 155,000 tonnes as expected in 1984, Britain would obtain 24·15 per cent of the total after allocating a fixed quantity of 7,100 tonnes to Belgium. If there was a level of 251,000 tonnes, Britain's share would be 23 per cent after the allocation of 6,000 tonnes to Belgium. These shares, noted Mr Jopling, were in excess of Britain's share of the historic catches which had averaged about 16 per cent between 1960 and 1976. Following a British request, the European Commission was approaching Norway in order to seek to establish arrangements to permit fishing for North Sea herring to start as early as possible in 1984.

There was a preliminary discussion on the Commission's proposals for 1984 catches and quotas and ministers endorsed an agreement between the Community and Norway on total allowable catches and shares of the joint stocks other than herring and on reciprocal fishing rights. A Community agreement with Canada was also approved, this providing for some fishing opportunities for Britain in Canadian waters and for fair and effective trade arrangements.

Source: *Hansard*, Vol 50, No 71, cols 1,173-8.

BRUNEI

Brunei, a self-governing Islamic Sultanate in treaty relationship with Britain since the middle of the nineteenth century, became a fully independent state on 1 January 1984 and joined the Commonwealth as its 49th member state. It has also become the sixth member state of the Association of South East Asian Nations. At a Brunei National Day celebration to be held on 23 February the Queen will be represented by the Prince of Wales and the British Government by Mr Richard Luce, Minister of State at the Foreign and Commonwealth Office, and by Lord Trefgarne, Under-Secretary of State at the Ministry of Defence.

Under the treaty relationship, as amended in 1971, Brunei had full internal self-government

while Britain was responsible for Brunei's external affairs and had a commitment to consult with the Brunei Government in the event of an attack on Brunei or the threat of attack. Britain will continue to provide assistance to Brunei's armed forces and, under a separate agreement which will expire in 1988, a battalion of Gurkhas of the British Army will be stationed in Brunei, mainly to provide logistic support for the training facilities it makes available to British forces.

Situated on the north-west coast of Borneo, Brunei has an area of 5,765 sq km (2,226 sq miles) and a population of about 200,000. It is one of the richest countries in Asia, the bulk of its income deriving from exports of oil and natural gas. The present Sultan, Sir Hassanal Bolkiah, succeeded to the throne on 4 October 1967.

For further information, see COI reference paper *Brunei*, No 224/83.

Regional Industrial Policy

A new structure for regional industrial incentives, involving major changes to the scheme of regional development assistance, was announced by the Secretary of State for Trade and Industry, Mr Norman Tebbit, on 13 December 1983. The new system, which is described in a White Paper,[1] will be wider in scope to cover parts of the services sector as well as manufacturing, and will be aimed more closely at job creation.

The White Paper reaffirms the Government's commitment to maintaining an effective regional policy to ease the process of change in areas which have been dependent on declining industries and to encourage new businesses in those areas.

A factual background paper on the effectiveness of regional policy, and on other regional issues, has been published by the Department of Trade and Industry.[2]

Secretary of State's Announcement

Announcing the revised structure of incentives to the House of Commons, Mr Tebbit stated the Government's belief that there was scope to increase the policy's effectiveness and to achieve better value for money in the regions with fewer adverse effects on the economy as a whole[3] (*Hansard*, Vol 50, No 69, cols 847-8). At present regional development grants (made primarily towards capital expenditure on new or adapted buildings and new plant) over-concentrate on capital intensive projects and manufacturing industries. In future, the Government proposed that they should be aimed more precisely at job creation. The new regional development grant scheme will be widened in scope to cover parts of the service sector, in addition to manufacturing. However, regional development grant will be payable only towards projects that provide, or modernise, capacity. Simple replacement investment will not qualify for grant.

'Grant will be payable as a proportion of capital expenditure, or as an amount for each new job created by a project, whichever is more advantageous to the investor. However, where grant is paid in respect of capital expenditure, it will be limited by a cost-per-job ceiling. For the sake of simplicity, small firms will be exempt from that limit.

'These changes shift the payment of automatic grant assistance to projects that create jobs. In addition, the importance of selective assistance [to encourage employment opportunities] relative to regional development grant will be increased. Relocation projects that offer no net increase in jobs will not normally be eligible for regional selective assistance . . .

'The White Paper invites views on a number of issues: in respect of grant, which activities should qualify for regional development grant, what the rates of grant should be, and what the balance should be between automatic and selective assistance. On the assisted area map, views are invited on both the criteria for designation and on map coverage. The Government also welcomes views on whether special measures should be taken in the assisted areas to encourage innovation and new firm formation. I would welcome written submissions[1] before the end of May 1984 in order that they may be considered before decisions are reached. . .

'In short, the new policy will ease the present unjustified bias against service industries, it will end the unjustified payment of expensive aid to projects that create few jobs in the assisted areas, it will minimise mere job shifting at taxpayers' expense and it will concentrate on better value for money in job creation in the areas of greatest need.

'I am confident that the new framework will provide a firm basis for a more cost-effective regional industrial policy, benefiting the assisted areas more effectively with less adverse effects elsewhere.'

[1]*Regional Industrial Development*. Cmnd 9111. Department of Trade and Industry. HMSO, £2·70. ISBN 0 10 191110 6.

[2]*Regional Industrial Policy: Some Economic Issues*. Available from the Library, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET. £3.

[3]The present system of regional assistance is outlined on p 337, 1983. The 'assisted areas' (those in which industrial development of specified types is eligible for financial and other assistance from the Government) were defined as those parts of Great Britain with the highest levels of unemployment and where economic structure was weakest. They are mainly in Scotland, Wales and northern and south-western England, and are subdivided into Special Development Areas (in which assistance is judged to be most necessary), Development Areas and Intermediate Areas. The boundaries of these areas are defined on p 251, 1982.

The review is primarily concerned with Great Britain and does not deal explicitly with the different circumstances in Northern Ireland (for which the most recent economic initiative was announced in March 1983 – see p 139, 1983; see also p 21).

[1]To: Regional Policy and Development Grants Division, Department of Trade and Industry, Room 417, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ.

REGIONAL INDUSTRIAL DEVELOPMENT

The introduction to the White Paper outlines the Government's views on the operation of regional development policy and its place in the broader context of both national and local economic development. Hitherto, it says, the main measures in support of regional policy have been directed towards alleviating imbalances in employment opportunities. Nearly £20,000 million (at 1982 prices) has been spent on them over the past 20 years. Other programmes contributing to the aim have included the development of a modern communications system, policies to stem the depopulation of rural areas and the decay of inner city areas, and the urban programme (see pp 37, 111, 1983), which is encouraging private sector involvement in industrial and commercial development. Policies of special value in a local context include training schemes to equip the labour force for new technologies (see pp 21 and 269, 1982); assistance for the development of tourism (see p 298, 1982); encouragement of private sector contributions to regional economic development, notably through organisations such as local enterprise agencies; and also experiments to examine other ways in which local economies can be stimulated, particularly the 25 enterprise zones (see pp 210, 268-9, 417, 1982) and latterly the proposal to establish a limited number of freeports (see pp 112 and 276, 1983). Together with national policies to stimulate innovative development, to upgrade technology, to support new firm formation and expansion throughout the country, and policies for reducing the burdens on business, these all help to create confidence so that industry and commerce can flourish with less dependence on public expenditure.

However, since 1972, when the present structure of regional industrial incentives was introduced, there have been important changes in the environment. Britain has become a member of the European Community. Along with other countries, it has experienced a period of recession and inflation following the oil price rise. Unemployment is now high throughout the country and not just in the assisted areas; there are fewer mobile investment projects and increasing competition for them.

It is essential to ensure that regional policies are economic and effective in creating genuine jobs. The Government considers that the time is right to review the efficiency of the present system of regional industrial incentives. Estimates of the effectiveness of regional industrial policies, though subject to wide margins of error, generally suggest that expenditure on these policies has had a significant impact on the economies of the assisted areas and, in particular, that it has led to about half a million more jobs in these areas. Taking account of regional multiplier effects, it is estimated that the cost per additional job created in the assisted areas in the 1970s was around £35,000 at 1982 prices. Many of the jobs said to be 'created' would otherwise have come into existence elsewhere in the country and should thus be described as 'transferred'. Despite this, there are still significant variations in unemployment levels between regions, and sometimes even sharper contrasts at local level.

The Government's Approach

In principle, imbalances between areas in employment opportunities should be corrected by the natural adjustment of wages, but there is little evidence of this in practice for reasons including the spread of multi-plant firms paying the same wages across the country, and national wage-bargaining. While believing that wage bargaining must become more responsive to the circumstances of the individual enterprise, including its location, the Government recognises that it would be unrealistic to expect wage adjustment alone to eliminate the regional imbalances. Similarly, while natural adjustment can occur through labour mobility – and, indeed, has occurred, with significant movement to more prosperous areas – government initiatives to encourage it, through housing policies for example (see pp 31-2, 1983), will take time to have effect. Further measures are therefore required.

The Case for Regional Policy Today

In the 1960s and 1970s, when labour was scarce in some areas and less so in others, regional industrial policy was seen as a means of achieving more employment and output nationally without unacceptable inflation. This argument is much weaker when there is no general shortage of labour in any region. However, regional industrial incentives have enabled Britain to compete effectively for internationally mobile investment and there is the further economic argument that a business climate conducive to a high rate of innovation and the formation of successful new firms contributes to sustained economic growth.

While an economic case for regional industrial policy may thus be made, the Government regards it as not being self-evident. Its case for continuing the policy now is principally a social one with the aim of reducing regional imbalances in employment opportunities on a stable long-term basis.

The Case for Change

The argument that regional industrial policy produces a net national economic benefit is, in the Government's view, open to debate. What is known is the cost of the policy to the Exchequer – £643 million in regional industrial incentives in 1983-84. While most of this represents transfer payments to companies, there are also costs in terms of higher burdens on the taxpayers and the distortion imposed on company location by regional incentives.

The present scheme of regional development grants is heavily biased towards capital-intensive projects. Some of these receive very large amounts of grant although they might well have gone ahead anyway in the same location without assistance. Nor are the grants linked in any way to the creation of jobs. There is also over-concentration on the manufacturing sector in which employment has been generally tending to decline since 1966, and too little support for the growing service activities. The Government believes that regional industrial incentives still have an import-

ant role to play in influencing the location of new economic development, and recognises the need for Britain to be able to compete effectively for internationally mobile investments. The incentives must, however, be made much more cost-effective than at present, with greater emphasis on job creation and selectivity, and less discrimination against service industries. They also need to focus on encouraging new and indigenous development in the assisted areas, rather than simply transferring jobs from one part of the country to another.

Co-ordination with Other Government Policies

The Government welcomes the increasing involvement of business in solving problems of local economic development, including participation in local enterprise agencies which provide assistance to new and small businesses. Local authorities, also, are important in creating a climate conducive to enterprise in their areas. The Manpower Services Commission, while having no explicit bias in favour of the assisted areas, spends a high proportion of its funds for employment and training programmes in areas with above-average rates of unemployment. Co-ordination of the urban programme and rural policies with industrial regional policy is very necessary, and the Government has made arrangements to enhance this at the regional level. The Department of the Environment is reviewing the effectiveness of projects carried out under the urban programme, including those related to the local economy, to assess the benefits generated by expenditure on different types of project; the European Regional Development Fund has a significant role to play in assisting appropriate projects. The emphasis in rural policies, now that depopulation is no longer a serious problem in most rural areas, is on improving their economic viability and social infrastructure.

European Community Regional Policy

The European Community's concern for reducing regional disparities is demonstrated by the 2,010 million European Currency Units (about £1,160 million) set aside in the Community Budget in 1983 for expenditure on the European Regional Development Fund. Almost all the Fund is given in support of member countries' regional policies through fixed 'quotas'. In 1984 Britain expects to receive £260 million in this way. About 20 per cent of this will be in support of government aid to companies and the remainder for passing on to local and other public authorities for a variety of infrastructure projects, mainly in the assisted areas. A small but growing proportion of the Fund is being devoted to special Community programmes under the 'non-quota' section. This aid is at present confined to giving special help to areas which have been or will be affected by Community policies and to areas which have a concentration of industries in which it is Community policy to reduce over-capacity. In Britain special Community measures to help shipbuilding and steel areas are already in operation; and further programmes for such areas, together with a new programme for textile areas, are close to agreement. The European Regional Development Fund is expected to grow in real terms, and will therefore play an increasingly important part in the development of member countries' regional policies, including that of Britain.

The New Structure for Regional Industrial Incentives

The principal forms of regional industrial incentives are regional development grants under Part II of the Industrial Development Act 1982, and selective financial assistance under Section 7 of the same Act.[1] At present, the balance of expenditure is weighted heavily in favour of the more automatic regional development grants and strongly biased towards manufacturing activities. The Government intends that, in the future, automatic assistance will account for a smaller proportion of expenditure, will be targeted more closely on job creation, and will be extended to include appropriate service activities.

Industry attaches considerable importance to a grant scheme which incorporates standard rates of grant and is predictable in its application. Consequently, although it is proposed that the scheme should be substantially revised in order to increase its cost-effectiveness, a high degree of predictability will be retained and the scheme will continue as the major element in regional industrial incentives.

Legislation will be introduced to provide the statutory framework for a new scheme which will:

1 Relate to approved projects as opposed to qualifying premises as at present. Approved projects will be those which create new capacity; expand existing capacity; or effect a change in a product or process or service; and which consist wholly or mainly of qualifying activities.

2 Provide for grant to be calculated at standard rates by reference either to approved capital expenditure, or to the number of jobs provided directly by the project in the development areas, whichever is more advantageous for the investor.

3 Allow for grant to be limited, by means of a cost-per-job ceiling, so that it may be payable only to the extent that a project creates jobs – but this ceiling will not normally be applied to small firms.

4 Extend the scope of qualifying activities.

(A detailed account of these proposals is given in Annex B of the White Paper.)

When considering which activities should qualify for regional development grants, the Government will be concerned to minimise the risk of displacement of local competitors and to avoid the payment of grant where this is unlikely to bring an increased overall level of activity in the locality. It would not be appropriate for all services to qualify because many serve local markets and do not have a choice of location. Every effort will be made to minimise the burden of these changes on applicants. The position of small firms is especially important in this respect: the revised

[1] A report on the aid provided under the Act in 1982-83 is summarised on pp 336-8, 1983.

scheme will be designed with their special needs in mind.

The changes will enhance the cost-effectiveness of the scheme and will result in a substantial reduction in expenditure. The extent of this reduction will depend primarily on the geographical coverage of the scheme (see below) and on the rates of grant. For the scheme to be effective, however, it is necessary for the rates of grant to be high enough to ensure that the incentive is taken into account when companies make their investment decisions, and for the cost-per-job ceiling to be set so that only those projects which are capital-intensive are affected.

In the belief that regional selective assistance is an effective and economical incentive the Government intends to increase its share of expenditure relative to that on regional development grants. However, in order to increase its effectiveness the Government proposes to provide for greater parity of treatment between the manufacturing and service sectors; and normally to exclude from regional selective assistance those relocation projects where there is no net increase in jobs. Selective financial assistance will also provide a means, where appropriate, to assist those modernisation projects which do not receive regional development grants but which, nevertheless, are essential to safeguard or maintain existing employment.

Regional development grants will thus continue to be an important element within the proposed structure for regional industrial incentives, but their importance relative to regional selective assistance will be less than at present.

Other Regional Assistance

The third main instrument of regional industrial policy is advance factory building – the provision of sites for private sector developers and the conversion or modernisation of offices, warehouses, factories and small nursery units. In England it is carried out, primarily in the assisted areas, by English Estates, in Scotland by the Scottish Development Agency and the Highlands and Islands Development Board and in Wales by the Welsh Development Agency and the Development Board for Rural Wales.[1] The Government also encourages private sector investment in new industrial and commercial property and joint ventures between the public and private sectors.

The aim of securing self-generating growth requires a high rate of innovation and new firm formation. Indications that the assisted areas suffer from a poor innovation record (especially when compared with the South East) and from a high level of dependence on branch plants of national and international manufacturing companies which results in an industrial milieu less conducive to new firm formation – to which the operation of regional industrial policy may itself have contributed – underlie the Government's commitment to diversify regional economies by encouraging the fullest use of its schemes for innovation (see pp 379-81, 1983).

The British Technology Group has had a relatively minor role in regional investment.[1] Since the need for this may diminish in the future as private sector agencies become better able to fulfil the need for the kind of equity investment which the Group now meets, the Government has decided that the Group should relinquish the regional investment role and concentrate on its primary task of encouraging the transfer of technology from universities and public sector research bodies to industry at the point where commercial development becomes possible.

The Assisted Area Map

The Government intends to revise the assisted area map (given in Annex C of the White Paper), which is out of date because of large changes in the distribution of employment. It is based on travel-to-work areas – which will be revised in the light of data from the 1981 Census – and was constructed mainly according to the criterion of relative unemployment, with other factors including industrial structure also taken into account. The Government is considering whether there should continue to be three categories of assisted area with regional development grant at different rates in the top two categories, or whether there should be only two categories with the grant available in only one. Regional selective assistance would continue to be available in all categories of assisted area.

Transitional Provisions

It is intended that changes to the system will be implemented, and the new map published, in autumn 1984. The new scheme would take immediate effect for those sectors of industry newly qualifying and for areas becoming eligible for regional development grants for the first time. In areas which might be excluded by the changes, or where the new scheme would result in a reduction in the amount of grant payable, grant would continue to be available under the terms of the present scheme on new assets provided during the subsequent 12 months.

Special provision will be made for projects in receipt of an offer of selective assistance. Regional development grant will continue to be paid under the terms of the present scheme and map. These terms will also apply to projects for which an application is made by 31 January 1984 provided that an offer of assistance is made before changes to the legislation are brought into effect.

[1]Expenditure on regional development grants, on regional selective assistance and on land and factories in the years 1977-78 to 1982-83, with estimates for 1983-84, are given in Annex A to the White Paper, which also describes the grant structure, and refers to other types of grant aid for assisted areas including grants to the Regional Development Organisations in England and to the Scottish and Welsh Development Agencies, and grants towards the reclamation of derelict land.

The Scottish Economy

A government motion welcoming progress in restructuring the Scottish economy has been debated in the House of Commons.

[1]For further information see COI reference paper *British Technology Group*, No 216/83.

The debate took place on 29 November 1983 (*Hansard*, Vol 49, No 59, cols 776-854), and, on a division, the motion was passed by 326 votes to 185.

Secretary of State's Speech

Opening the debate for the Government, the Secretary of State for Scotland, Mr George Younger, said that the picture that was often painted of Scotland as nothing but a depressed area was becoming out of date. When the true facts were considered, even the gloomiest commentators would be forced to acknowledge the progress that Scotland had made towards establishing itself on a sounder economic base.

It was undeniable that unemployment was a major problem, for which there could be no quick or easy solution. [Unemployment in Scotland stood at 14 per cent (seasonally adjusted) at the end of 1983.] A sustainable reduction in Scottish unemployment required not only a sound national economy but a patient effort to broaden and strengthen it.

Sound Economic Base

A sound economic base, he said, could not be a static thing in an age of rapid technological advance and fierce international competition; it had to be adaptable and capable of restructuring. In order to achieve this objective, the right combination of manufacturing and service industries was needed, together with entrepreneurial flair, a skilled and adaptable workforce, sound financial institutions and the right background to the economy.

Measuring the progress of the Scottish economy against these criteria, Mr Younger considered first the industrial balance. Scotland's traditional industries – heavy engineering, steel and shipbuilding – had long been in decline, but many firms in these sectors had succeeded in keeping pace with the times, and other sources of employment had grown naturally to take the place of those that had declined.

Growth Sectors

North Sea oil and gas now provided, directly and indirectly, some 100,000 jobs in Scotland. Many of these jobs were in quite new activities, such as oil extraction, but many had also arisen in traditional areas – engineering, construction and sea and air transport – which had adapted to meet the challenge of supporting the oil and gas industries.

The banking, insurance and financial sector now employed some 90,000 people, and Scotland was the only major financial centre in Britain outside London. Tourism was also bringing prosperity to the country: tourist expenditure in Scotland in 1982 had been a record £760 million and the industry provided, directly or indirectly, the equivalent of 50,000 full-time jobs.

Alongside these new growth sectors, some traditional manufacturing industries were sustaining their performance. The Borders knitwear industry, for example, was achieving significant sales both at home and abroad.

High Technology

Perhaps the most exciting area of industrial renaissance in Scotland was in high technology, Mr Younger said. The output of the electronics industry had more than doubled since 1975 and had increased by 40 per cent between 1979 and 1982. Employment in the industry was probably over 40,000. Electronics was not merely a growth industry in its own right but provided technology from which other sectors – such as finance and North Sea oil exploration – could also benefit. Mr Younger cited Fortronic, Prestwick Circuits (the largest producer of high quality printed-circuit boards in the country) and Future Technology Systems as being among the indigenous companies that had seized the opportunity presented by the growth of electronics. Scottish research skills and facilities had also attracted major companies from abroad. The presence of such major international companies as Marconi Instruments, IBM, National Semiconductor, Digital and Motorola was important in supplying employment opportunities and in creating a climate that would encourage indigenous manufacturers.

Health care and biotechnology were other industries of the future; the former had been growing at 15 per cent a year in Scotland recently.

The Government was committed to creating the conditions in which new technology would be taken up. It had already introduced numerous measures to help small businesses to start up and expand and to assist industry in applying new technology.

Scottish Development Agency

In addition the Government had encouraged the Scottish Development Agency to focus its activities on the promotion of technology and enterprise, especially through new and small businesses. The drug development unit in Dundee and the Bioscot project in Edinburgh were notable examples where the Agency, in partnership with universities, local authorities and the private sector, was helping to put Scotland in the forefront of technology. The Agency had developed a science park in Glasgow and others were proposed for Dundee and Aberdeen. The Agency was also helping existing companies to adapt, and was sponsoring a Scottish exhibition centre, with government backing, to act as a showcase for their products.

Problem Areas

Despite the achievement of a better balance between manufacturing and service sectors and a better spread of manufacturing industries, there remained problem areas, such as steel, shipbuilding and coal. While the Government had given nearly £3,000 million in support to Britain's steel industry since 1979, leading to improvements in productivity that matched the best levels in Europe, painful reductions in Scottish steel capacity had been necessary. The Government was concerned about the prospects for shipbuilding, including that on the Clyde, and had given £840 million in support for the industry overall since 1979; but performance continued to be patchy and, with the market remaining difficult,

the industry could hope to survive only if new working practices were accepted. The Government had invested £3,500 million in Britain's coal industry to help it to become competitive. It rejected, however, the option of continuing to put money into declining industries in order to avoid the social consequences. Such subsidies would never create lasting jobs or real wealth.

Unemployment

While long-term unemployment was severe, recent figures showed that the flow off the unemployment register exceeded the flow on to it, and placings by Jobcentres and Professional and Executive Register Offices had also been rising.

The Government recognised the need to concentrate on areas especially hard hit by unemployment and was firmly committed to an effective regional policy (see pp 15-18).

Training

A skilled and adaptable workforce was a crucial ingredient of a sound economic base. The Government had set out, with the Manpower Services Commission, to tackle the problem of insufficient training facilities. The Commission had adopted three key objectives in 1981, the first being to move away from time-serving apprenticeships towards agreed standards of practical skill as the main criterion; progress on this front had been steady. The second was to give all young people under 18 either full-time further education in school or college or a period of planned work experience and training. The Youth Training Scheme, launched in 1983 (see pp 248-51, 1982), had realised this objective. Progress on the third – providing wider opportunities for adults to train and retrain – was awaiting the Government's consideration of Manpower Service Commission proposals.

In Scotland developments in the curriculum for 14- to 16-year-olds[1] and the formulation of an action plan for 16- to 18-year-olds[2] showed that all the interests involved – the Government, the Commission, industry and the education and training providers – were alive to the importance of a highly trained and adaptable workforce.

Macroeconomic Conditions

Correct macroeconomic conditions were vital for a sound economy, Mr Younger stated. When the Government had come to office in 1979, British unit labour costs had been relatively high, inflation had been increasing sharply and the world recession had been affecting demand for British products. The Government s main undertaking had been to reduce inflation. It was now at 5 per cent, its lowest level for 15 years. There had also been a major improvement in manufacturing productivity and a moderation in average wage settlements, which, together with movements in the exchange rate, had improved Britain's competitive position.

Improvements in Scotland had been even more striking than in the country as a whole. While Britain's manufacturing productivity had been growing at 2 per cent a year, Scotland's had been growing at 5 per cent. Manufacturing output and employment had both fallen less rapidly in Scotland, even during the worst period of the recession, than in the rest of Britain, and Scotland now ranked second among Britain's planning regions in terms of gross domestic product per head of population, compared with eighth in 1971.

Conclusion

Judging by the trends over recent months, Mr Younger concluded, the hard decisions that had been taken over the past few years were beginning to pay off. There had taken place, for the first time in the lifetimes of most Members of Parliament, a change in the traditional relativity between the Scottish economy and that of Britain as a whole. Scotland was at long last a part of the national economic recovery.

Opposition Views

The official Opposition spokesman on Scottish affairs, Mr Donald Dewar, criticised the Government on the grounds of its complacency about the level of unemployment and the prospects for recovery in the Scottish economy. He rejected the suggestion that jobs in the electronics industry were replacing job losses in traditional sectors; employment in electronics was now lower than it had been in 1970. The necessity to protect jobs in the traditional heavy industries of Scotland should never be underestimated. The Government had compounded many of the problems through cuts in expenditure, which had affected jobs. The objective ought to be to shoulder the responsibility to create jobs.

Mr Gordon Wilson, for the Scottish National Party, said that there were no facts to support the claim about progress in restructuring and strengthening the Scottish economy. The real problems of Scotland were political rather than economic; the Scottish economy would only improve when there was an independent Scottish parliament with control over the economy.

For the Liberal Party, Mr Malcolm Bruce accused the Secretary of State of using selective facts and figures to give the impression that the Scottish economy was successful. He stated that in particular the Government had failed to develop energy policies – on oil, gas, offshore technology and energy conservation – to the national benefit. Small and rural businesses too were not getting the support they needed. The Government was not providing any way out of the problems of record unemployment and a poor general trading performance.

Government Reply

Replying for the Government, the Under-Secretary of State for Scotland, Mr Allen Stewart, said that the Government's opponents had concentrated on sectors in decline, suggesting that these alone proved the poor state of the Scottish economy.

[1]See *Framework for Decision*. Scottish Education Department, 1982. The changes set up a national curriculum structure within which courses will be provided for pupils of all levels of ability.

[2]See *16 to 18s in Scotland – An Action Programme*. Scottish Education Department, 1983. The programme seeks to reorganise educational provision to match courses more closely to the needs and interests of young people in the age-group.

Other sectors, however, had been growing. They included oil and gas extraction and related activities, professional and scientific services and financial services. Tourism was also important. The Government's policies, which entailed facing difficult decisions to create the right long-term conditions for the Scottish economy, were realistic and sensible.

SCOTTISH DEPARTMENT: CHANGE OF NAME

The Secretary of State for Scotland announced in a parliamentary reply on 28 October 1983 (*Hansard*, Vol 47, No 37, written answers, col 221) that the name of the Scottish Economic Planning Department was being changed to Industrial Department for Scotland. The change took effect from 1 November 1983.

Public Expenditure in Northern Ireland

Public expenditure in Northern Ireland in 1984–85 is expected to be a little higher than the previously planned level, in contrast to that for Britain as a whole which has been held within earlier limits. Resources will be made available on a scale reflecting the Government's determination to combat terrorism and other crime in the Province.

The Secretary of State for Northern Ireland, Mr James Prior, announced in the House of Commons on 13 December 1983 (*Hansard*, Vol 50, No 71, written answers, cols 453-4) that the public expenditure allocation for Northern Ireland for 1984-85 would be £4,028 million (subject to technical adjustments before publication in the 1984 public expenditure White Paper). Figures for individual programmes are shown in the table; further details were given by the Secretary of State in a statement issued the same day by the Northern Ireland Office.

Introduction

Consistent with the Government's policy of public expenditure restraint as part of the strategy for improving the underlying prospects for the economy, the total for Britain as a whole was being held at the previously planned level. However, the allocation for Northern Ireland was £233 million higher than the forecast outturn for 1983-84 and £9 million above the previous figure for 1984-85.

In determining the allocation of the total the Secretary of State had 'continued to accord the highest priority to the protection of life and property through the law and order programme; to the promotion of the Northern Ireland economy through the encouragement of industrial investment; and, within the social and environmental programmes, to housing'.

Planned Public Expenditure in Northern Ireland 1984-85

	£ million
Law, order and protective services	415
Industry, energy, trade and employment	415
Transport	115
Housing	340
Other environmental services	160
Education and science, arts and libraries	585
Health and personal social services	660
Social security	1,180
Agriculture, fisheries, food and forestry	90
Other public services	30
Common services	40
Total	4,030

Note: Amounts are rounded to the nearest £5 million.

Law, Order and Protective Services

The allocation of £415 million to law, order and protective services was aimed particularly towards providing the necessary resources of manpower and equipment to combat terrorism and other forms of crime. 'The Government is determined to enforce the law and to provide the resources necessary to make this possible.' This determination had the support of all responsible people in both Northern Ireland and the rest of Britain. The total also allowed for increased expenditure on the prison service mainly through the recruitment of additional manpower.

Industrial Support and Development

The industry, energy, trade and employment programme would continue to receive priority. 'In the context of the Government's overall economic policy of creating the right conditions for growth, it is important that our public expenditure allocations should reflect our determination to stimulate more employment opportunities through the creation of viable, sustainable private-sector jobs.' The Industrial Development Board (see p 327, 1982) and the Local Enterprise Development Unit (see p 308, 1981) would be given the maximum encouragement in their efforts to create employment. This, together with the package of incentives announced in March 1983 (see p 139, 1983), provided 'the means to promote an effective industrial development effort in terms of both strengthening the existing local economy and promoting inward investment'. The Government's measures to increase prosperity in Northern Ireland would be greatly helped if all concerned were to work together to present an image of the Province which would be encouraging for existing and potential investors from overseas.

Employment and Training

The allocation to employment and training of £120 million was an indication of continuing government emphasis in this area. A major element was the Youth Training Programme (see pp 21 and 24, 1982), which offered a wide range of

training and educational opportunities. Other parts of the programme were the Action for Community Employment Scheme, which provided full- and part-time jobs for the long-term unemployed, and Enterprise Ulster, which would make available about 1,000 places in 1984-85.

Housing

Housing would continue to be given first priority in the social and environmental programmes. A recent review of housing strategy had led to the conclusion that greater emphasis should be placed on the renovation and improvement of existing dwellings and less on new building. However, there would still be a substantial new building programme, with some 3,000 starts in 1984-85. Housebuilding in the private sector would continue to be encouraged.

Income from rents was an essential element in the financing of the housing programme. Rent increases in 1984-85 would be in line with the percentage increases in England and Wales, which implied average rises of 64p over the 1983-84 weekly figure compared with 75p in England and Wales.

Urban Renewal

The adoption in June 1983 by the European Community of the Urban Renewal Regulation (see p 217, 1983) had enabled the Government to make a further increase in capital expenditure on urban renewal programmes, including housing. Anticipation of the allocation from the 1984 Community Budget had enabled the Government to devote £200 million more in 1984-85 to urban renewal than the previous year's plans had suggested.

As part of the approach to inner city problems, particular emphasis would be given to projects in the Belfast area. Increased provision would be made for the scheme introduced in Northern Ireland in 1983 along the lines of the Urban Development Grant system in Great Britain (see p 37, 1983). The aim would be to use limited public funds to bring forward urban renewal projects financed mainly by private funds. Mr Prior believed that 'this scheme has worked well and can continue to make an important contribution towards creating jobs and towards improving the environment and social fabric of our inner city areas'.

Education and Science, Arts and Libraries

The increased allocation of £585 million for education was in spite of falling pupil numbers. This would enable major developments in the secondary school curriculum to be carried out.

Health and Personal Social Services

The provision for health and personal social services would, at £660 million, be over £10 million more than planned a year previously. This would enable the services to keep pace with demographic changes and medical advances and also allow for hospital building.

Social Security

The £1,180 million to be spent on social security would enable the programme to operate in full parity with that in Great Britain. The figure would be adjusted during the year if necessary to meet the demand for benefits.

Agriculture

The allocation for agriculture was being raised by £10 million to allow for the continuation of a substantial level of local support over and above that available from the European Community.

Year-end Flexibility

The Secretary of State had devised arrangements, as part of the national scheme announced by the Chancellor of the Exchequer in July 1983 (see p 234, 1983), which would enable up to 5 per cent of the total allocations for Northern Ireland departments subject to cash limits to be carried forward from one year to the next. This would, for example, allow resources allocated to construction projects but not spent because of severe weather to be spent the following year rather than lost.

Conclusion

Concluding, Mr Prior said that some difficult decisions had been made and some difficult choices still lay ahead. 'However, the outcome reflects a genuine recognition by the Government of Northern Ireland's problems and a generous but necessary allocation of funds to its needs.'

London Regional Transport Bill

The London Regional Transport Bill, which would transfer control of the London Transport Executive from the Greater London Council to the Secretary of State for Transport and reconstitute the Executive as London Regional Transport, has received its second reading in the House of Commons.

Main Provisions

The Bill gives effect to the proposals contained in a White Paper published in July 1983 (see pp 273-4, 1983). It provides for the removal of the functions of the Greater London Council in relation to the London Transport Executive and for the latter's reconstitution as London Regional Transport with its members appointed by the Secretary of State for Transport. The general duty of London Regional Transport would be to provide or secure the provision of passenger transport services for Greater London with due regard to the transport needs of Greater London and to efficiency, economy and safety. London Regional Transport and the British Railways Board would be required to co-operate with each other and to co-ordinate their services. The Bill would require subsidiaries to be established for the bus and underground railway undertakings, enable private capital to be involved in these and other subsidiaries, and permit the disposal, with the consent of the Secretary of State, of the whole or part of any of the subsidiaries' undertakings. The Bill would also enable other bus operators to provide services, either under agreements with London Regional

Transport or independently under road service licences from the traffic commissioners (responsible for licensing operators of buses and coaches to ensure their suitability for carrying the public safely). London Regional Transport would be supported by government grant with a contribution from the ratepayers of Greater London through a levy on rating authorities (the Corporation of the City of London and the London borough councils, which collect rates, a local property tax) in London, this not exceeding two-thirds of the estimated expenditure. A single new consumer body, to be known as the London Regional Passengers' Committee (with members appointed by the Secretary of State), would be established for London Regional Transport and British Rail services in and around Greater London, superseding two existing consultative bodies.

Parliamentary Debate

The Bill received its second reading in the House of Commons on 13 December 1983 by 341 votes to 196 (*Hansard*, Vol 50, No 69, cols 863-926, and Vol 50, No 70, cols 927-36).

Government View

Opening the debate, the Secretary of State for Transport, Mr Nicholas Ridley, said that the purpose of the Bill was 'quite simply to improve London's transport'. The Greater London Council had been given a duty under the Transport (London) Act 1969 to promote the provision of integrated, efficient and economic transport facilities and services in Greater London, but transport services were 'not integrated, not economic and most certainly not efficient', and the Council had also failed in its basic purpose of acting as a strategic transport authority. Costs had risen substantially and the total subsidy to London Transport had increased from £6·5 million in 1970 to £370 million in 1982. The House of Commons Select Committee on Transport had published in 1982 a report containing 'an impressive and thorough analysis of the defects of London's transport' (see pp 273-4, 1983), and the Government had agreed with much of this analysis. The real need was for London Transport 'to be allowed freedom to manage its affairs with a minimum of political interference and control, but within clearly stated financial and policy objectives'.

Mr Ridley said that the transfer of control of London Transport would take place as soon as possible after the enactment of the Bill and at the same time the London Transport Executive would assume its new name. One of the most important long-term reasons for the Bill was the need for closer co-operation, in the interests of passengers, between London Transport services and British Rail's services in the London area. The Bill would ensure that in future the two major operators in London would be subject to compatible policy and financial frameworks. Securing better value for money would be 'one of the first and most important tasks of the new chairman of London Regional Transport and his board'. The Bill provided 'opportunities for more efficient and accountable management throughout the new organisation'.

Encouraging the involvement of the private sector was one of the objectives of the Bill, Mr Ridley continued, and the Bill aimed to achieve this in several ways. London Regional Transport would be under an obligation to involve independent suppliers in the provision of public transport and other services wherever this was more economic. New licensing arrangements would, for the first time, enable independent bus services to be provided in London, as was possible in other parts of Britain. This would loosen the monopoly position that London Transport had held since 1933.

Mr Ridley concluded by saying that the purpose of the Bill was to enable the provision of 'the most convenient, attractive and efficient service possible for London's travelling public'. The Bill provided the way to achieve a 'face-lift' for London's public transport for the first time since the London Passenger Transport Act 1933.

Opposition Views

The Labour Party's chief spokesman on transport, Mr John Prescott, said that the Bill would 'eventually increase real fares and reduce services' and would 'reduce public financial resources essential for a modern, integrated transport service in the capital'. It constituted 'a fundamental denial of Londoners' democratic rights and a major attack upon the British tradition of local government'. The Bill would 'threaten old age concessionary passes and put greater burdens on women, the low paid and disabled who use our transport system', and would also 'increase unemployment and lead to more deaths, accidents and congestion'. The new body would be 'instructed to observe a Treasury financial requirement which meets the needs of the Treasury rather than those of London's transport'.

For the Liberal Party, its transport spokesman, Mr Stephen Ross, also opposed the Bill which he said was 'motivated by a desire to abolish the Greater London Council, not to improve London's transport provision'. London Transport was not overfunded and its subsidy was lower than in a number of other large cities in other countries. 'London desperately needs a decent transport system, subject to proper democratic control', but the Bill would 'make it almost impossible to achieve that control'.

Government Reply

Replying for the Government, the Minister of State at the Department of Transport, Mrs Lynda Chalker, assured members that the decision to create London Regional Transport was independent of the Government's decision to abolish the Greater London Council (see pp 353-6, 1983). The Bill sought 'to apply modern management and commercial disciplines to the provision of public transport in London'. In this way London Transport's experience and expertise could be harnessed to provide improved standards and better services for London's travellers. The Bill provided 'a coherent and constructive plan to take public transport in the nation's capital well into the next century' and would give 'a clear and accountable remit to the businessmen who will be appointed to the board of London Regional Trans-

port to carry out compatible financing for London Transport and British Rail'.

Pollution: Agriculture, Marine Oil

On 20 December 1983 the Government published its responses to the seventh and eighth reports of the Royal Commission on Environmental Pollution – on agriculture and pollution and on marine oil pollution respectively.

AGRICULTURE AND POLLUTION

The seventh report of the Royal Commission on Environmental Pollution made a number of recommendations on responsibility for investigating the effects of pollution, on pesticides, fertilisers and on other matters relating to pollution in agriculture (see pp 345-6, 1979).

The Government Response

Pesticides

The Government in its response[1] accepts the Royal Commission's main recommendation that it should be a declared policy aim to reduce pesticide usage to a minimum consistent with efficient food production. Any spraying in excess of that essential for crop protection runs counter to both environmental and economic considerations. The Government has studied the provisions of the legislation designed to ensure pest-free food products and has concluded that they are not likely to lead to the unnecessary use of pesticides. In a response to the Royal Society for the Protection of Birds, the Government has deplored the misuse of pesticides which leads to the deaths of animals. The Royal Commission's recommendation that the Ministry of Agriculture, Fisheries and Food should arrange a meeting of those involved to improve the collection and use of data on pesticide usage has been accepted. Strategies to delay the onset of resistance to insecticides and fungicides should be developed.

As a major first step to combine schemes for assessing the safety and efficacy of pesticides, a Pesticides Registration Department has been established within the Ministry of Agriculture, Fisheries and Food. The Government stresses the independence of the Advisory Committee on Pesticides; in future the Committee will publish annual reports and will also advise on research needs.

In the light of the Royal Commission's views, the Government has concluded that more could usefully be done, in the interests of securing environmental and other safeguards, to improve standards of competence among all who apply pesticides. It does not propose to introduce official licensing arrangements but will encourage the various organisations concerned to bring the separate measures they have pioneered into a common national framework.

[1]*Agriculture and Pollution: The Government Response to the Seventh Report of the Royal Commission on Environmental Pollution* (Pollution Paper No 21). HMSO, £4·20. ISBN 0 11 750021 6.

The Government accepts the recommendations that priorities in research and development programmes should be re-ordered to find ways of reducing pesticide usage to the minimum necessary to maintain yields and productivity, with high priority being given to research and the development of techniques to improve the efficiency of pesticide applications.

Nitrate Fertilisers

The Royal Commission considered that investigations should be made in order to substantiate the maximum acceptable levels of nitrates in water quality standards and the Government accepts this. Although there is no evidence of methaemoglobinaemia in infants caused by nitrates in drinking water, the position is being closely watched, in the light of national and international developments, by the Department of the Environment and the Department of Health and Social Security. The Government has recently checked on its medical advice and on the precautions taken in Britain in relation to nitrate levels in water, finding both still appropriate. The importance of continuing research into possible links between exposure to nitrate and the incidence of gastric cancer is accepted by the Government, and the need for further research will be reviewed as more knowledge is gained from current epidemiological studies. However, it should be noted that nationally and internationally there has been a fall in the incidence of gastric cancer over the past 20 years or so.

Farm Wastes

The Government accepts the Royal Commission's view that, in dealing with animal wastes, the same principles should be adopted as with pollution from other industries. This means that appropriate pollution controls, which take account of environmental and economic considerations, should apply; and that, in accordance with the 'polluter pays' principle, the agricultural industry should bear the cost of these controls.

The Royal Commission considered that the cost of ploughing in straw, where this can be done with benefit to the soil, should be weighed against the risk attendant on burning. The Government agrees and will continue to encourage the adoption of methods for dealing with straw, other than burning, where this is likely to be practicable. The Ministry of Agriculture, Fisheries and Food has commissioned research concerning alternative uses of straw and alternative ways of dealing with it on the farm, and has also commissioned research concerning methods of straw burning and their environmental effects. Action is in hand to strengthen the code on straw burning drawn up by the Ministry of Agriculture, Fisheries and Food and the National Farmers' Union.

Effects of Pollution

Guidelines on the use of sewage sludge on land are kept under continuing review and updated in the light of experience and the results of research. The guidelines recommend that land receiving regular applications of sludge should be monitored, and water authorities are generally working

towards this within the resources available. The metal content of food grown on land treated with sludge will also continue to be monitored. Greater emphasis on research into the survival of pathogens in untreated sludge is in hand. The available evidence supports the view that, when sludge is applied to land in accordance with national guidelines, the risk to animal and public health is small.

Planning

The Government's general policy is to avoid the unnecessary application of planning controls, and it does not consider that full planning control is needed over all intensive livestock units, but it will soon be proposing measures to secure an appropriate degree of control over the siting of units, particularly those close to residential and other property. The Government considers that it would be helpful if a code of good practice were drawn up for the operation of intensive livestock units, in consultation with all the interests concerned.

Government View

Announcing the Government's response (*Hansard*, Vol 51, No 76, written answers, col 191), the Secretary of State for the Environment, Mr Patrick Jenkin, pointed out that the agricultural industry now produced about three-quarters of the part of the country's food supply which could be produced at home, compared with less than two-thirds in 1953. However, continued efficient food production had to go hand in hand with effective protection of the environment, and it was equally important to minimise the effects on agriculture of pollution from other sources.

MARINE OIL POLLUTION

The eighth report of the Royal Commission on Environmental Pollution concluded that oil pollution posed no serious long-term threat to the marine environment, but, in view of the short-term damage which might be caused, the report recommended changes in the organisational arrangements for dealing with major incidents (see pp 342-3, 1981). In its response to the report,[1] the Government accepts the general picture as described by the Royal Commission and welcomes the expert analysis, which it says is likely to become definitive in this area. The Government particularly notes the conclusions that the extent to which oil is at present entering the sea (whether gradually in dispersed form or suddenly in a concentrated form) poses no long-term threat either to marine life in general or to man; and that, in view of the work which has been done in recent years, there is no need to single out oil as such for special research attention.

This is a reason not for withdrawing from future research in the area, but for readjusting programmes to cover specific gaps in knowledge such as the extent, nature and environmental significance of sub-lethal effects of chronic pollution, and the way in which oil interacts with other pollutants discharged with it or already in the sea.

[1] *Oil Pollution of the Sea: The Government Response to the Eighth Report of the Royal Commission on Environmental Pollution* (Pollution Paper No 20). HMSO, £4·20. ISBN 0 11 751685 6.

North Sea Oil

Much useful environmental monitoring work is being carried out in connection with the North Sea oil production fields, and the Government considers it important that the results should be widely disseminated. There is a continuing dialogue between several government departments and the offshore operators over a broad field, including surveys on site, the use of chemicals, analytical techniques, the toxicity and composition of production water (water discharged with oil) and the seasonal movement of seabirds. Nevertheless, co-operation can be improved, and to achieve this the Institute of Petroleum has established a Working Group on Marine Pollution Ecology to act as a focal point for disseminating scientific information collected by industry and government bodies.

Oil Spills

The Government shares the Royal Commission's views on the importance of ensuring that cleaning up after an oil-spill is cost-effective. Many spills pose no threat to the coast or any British interests, and many are in any case not amenable to treatment, given the current state of technology. The Government directs its cleaning-up capability primarily against the catastrophic and quite unacceptable short-term effects which large spills of oil can have on the coastline, seabirds, fish and commercial assets. It would be too expensive and almost certainly impracticable for the Government to maintain a capability to respond fully to any oil spill catastrophe, however large. It is a question of doing the best possible with the resources available – bearing in mind that even the worst oil pollution incident poses no serious long-term problem for mankind and the environment, and that in some situations the best course of action may be not to clean up but to allow nature to take its course and disperse the oil naturally.

Oil from Ships

The Government agrees that further measures are required to try to prevent oil pollution in the first place. However, many of the ships which pose an oil pollution threat to Britain are foreign and not visiting British ports; regulations covering their seaworthiness and use must therefore be a matter for international negotiation.

Government View

Commenting on the Government's response (*Hansard*, Vol 51, No 74, written answers, cols 34-5), the Secretary of State for the Environment, Mr Patrick Jenkin, announced that the Government was able to accept most of the Royal Commission's recommendations. Prevention, he said, was a collective responsibility. Governments, shipowners, port authorities and many others had an important part to play. If accidents were to be avoided, tankers had to be built and operated to high standards. Offshore oil exploration and production had to be carefully handled. The Government accepted the recommendation for a fully integrated response to major spills, and the Department of the Environment's direct responsibility in relation to onshore cleaning up of both oil

and chemicals was therefore being transferred to the Department of Transport's marine pollution control unit, which already had responsibility for dealing with oil at sea. Following discussions with the United Kingdom Petroleum Industry Association, the private sector would also be playing a greater part in cleaning-up operations. The new arrangements, the Secretary of State said, 'will help to ensure that all concerned . . . are better able to mount a swift, co-ordinated and, most important, effective response when necessary'.

The Government did not accept a need legally to compel local authorities to clean up a spill in a particular way, believing the existing voluntary arrangements to be adequate. Nor did it see a need to alter the existing financial arrangements whereby each organisation bore the immediate costs of any operation which it initiated or controlled, except in the case of costs directly attributable to a particular area being used as a safe haven.

Shorter Notes

PRIVATISATION OF BRITISH AIRWAYS

Details of the proposed arrangements for privatising British Airways were given in a statement by the Secretary of State for Transport, Mr Nicholas Ridley, in the House of Commons on 12 December 1983. Mr Ridley said that the Government's original intention had been to go ahead with the sale soon after the passage of the Civil Aviation Act 1980 (see pp 382-3, 1979), but the decline in the airline's profits in 1979-80 and large losses in the two subsequent years had made that impracticable. However, over the last two years 'decisiveness on the part of management and determined co-operation from the workforce have sharply improved British Airways' productivity', and the airline industry was emerging from the world recession. British Airways had recorded a net profit of £77 million in 1982-83 and was likely to make significantly higher profits in 1983-84. Following the transformation of the company's financial prospects, he had decided 'to aim for privatisation as soon as possible, hopefully in early 1985'. Accordingly, he proposed to establish British Airways as a public limited company under government ownership in accordance with the 1980 Act. On 1 April 1984 the property, rights, liabilities and obligations in Britain of the British Airways Board would be vested in the new company, British Airways PLC. Final decisions on the timing of privatisation would depend on the airline's financial performance, the state of the stock market and the general prospects for the airline industry.

Source: *Hansard*, Vol 50, No 68, cols 686-7.

FAMILY EXPENDITURE SURVEY

Average spending by households increased between 1981 and 1982 by just under 7 per cent at current prices to £133·90 a week, according to the *Family Expenditure Survey 1982*, published on 15 December 1983. The survey is based on a representative sample of private households in Britain and has been in continuous operation since 1957. It represents an important source of household data on expenditure, income and other aspects of household finances, and provides a perspective of the changes and developments in household circumstances and characteristics over the past quarter of a century.

Gross average weekly income per household in 1982 was £176·70, leaving, after deductions of income tax and national insurance contributions, a disposable income of £144·30 a week, a rise of just under 5·5 per cent over 1981. The average household size in 1982 was 2·7 people. Although household size has tended to decline since the survey records began, falling from 3·18 in 1953–54 to 3·04 in 1960 and 2·7 in 1979, there has been little change since then.

The average gross weekly income in households with a non-retired head and a married woman working full-time or part-time was £253·50 in 1982, about 32 per cent higher than in households where a married woman was not working. Average weekly expenditure in households where a married woman was working was £180·40, about 21 per cent higher than in households where a married woman was not working.

Where the head of a household was not currently employed, the average weekly household expenditure in 1981 was £106·60 and in 1982 was £109·10. The corresponding average weekly expenditure for households with employee heads currently at work was £150·20 in 1981 and £160 in 1982, so that spending by the former group as a percentage of spending by the latter group fell from 71 per cent to 68 per cent between 1981 and 1982.

Average expenditure of London households was £150·60 a week in 1982, 12·5 per cent higher than the national average, over half of the excess arising from higher housing and transport expenditure. In contrast, average household expenditure in Yorkshire and Humberside was £122 a week, 9 per cent below the national average. As in London, relative levels of expenditure on housing and transport accounted for much of the difference.

Expenditure per person in 1982 was £49·70 a week, an increase of some 8 per cent on the previous year. Average disposable income per person rose to about £53·60 a week, an increase of some 6·5 per cent over 1981. The proportion of expenditure on food fell from about 25 per cent in 1975 to some 21 per cent in 1982, although spending on housing, fuel and food taken together remained the same at about 44 per cent.

Of the households in the 1982 survey some 56 per cent either owned or were buying their own homes, about 2 per cent lived rent-free and the remaining 42 per cent paid rent for their accommodation. More than four-fifths of this group were tenants of local authorities.

By 1982 63 per cent of households had central heating, compared with 61 per cent in 1981 and 55 per cent in 1979. In the Northern region 48 per cent of households had the use of a car or

van, while in East Anglia and the South East (excluding Greater London) the figure was 72 per cent. In Britain as a whole the figure was 61·5 per cent.

Source: *Family Expenditure Survey 1982*. HMSO, £14. ISBN 0 11 361242 7.

EFFECTS OF TAXES AND BENEFITS ON HOUSEHOLD INCOME 1982

Details of household income in 1982, based on the latest Family Expenditure Survey (see p 26), show that average original income per household was £7,380. Average cash benefits were £1,350, giving gross income of £8,730. Deduction of direct taxes of £1,650 left disposable income of £7,080. Subtraction of indirect taxes of £1,780 and addition of benefits in kind of £1,320 meant that final income was £6,620.

The top 10 per cent of households had an average original income of £21,260 and a final income of £14,653. The corresponding figures for the bottom 10 per cent (which consisted largely of retired households, those with no earners and those in which the earners were out of work) were £4 and £3,394 (state pensions being counted as cash benefits). The top 10 per cent of households paid an average of £5,130 in direct taxes but the bottom 10 per cent paid nothing.

Income redistribution brought about by the tax-benefit system resulted in the top 10 per cent of households (in terms of original income) accounting for 29 per cent of all original income but for only 24 per cent of total final income. The bottom 10 per cent accounted for a negligible proportion of original income but for nearly 3 per cent of final income.

Source: *Economic Trends*, November 1983. Central Statistical Office. HMSO, £10·75. ISBN 0 11 620091 X.

MacROBERT AWARD

The MacRobert Award (see pp 70-1, 1975) for 1983 has been won by Ruston Gas Turbines Limited for the development of industrial gas turbines and particularly the new Tornado gas turbine. The MacRobert Award is the major award for engineering in Britain and is made by the Fellowship of Engineering (see p 132, 1976) for successful technological innovation which has contributed or will contribute to national prestige and prosperity. The award is made annually and comprises a gold medal and a cash prize of £25,000.

The sequence of Ruston Gas Turbine designs, from pioneering work in the 1940s, and culminating in the Tornado, has led to acceptance by industrial users to the extent that the company is regarded as a world leader in its field. Innovative features throughout the Tornado turbine itself and in its custom-built control system lead not only to high thermal efficiency – over 30 per cent – but at the same time provide such features as the ability to change fuel while on full load. Advanced methods of manufacture have been developed and ease of servicing is a major feature of the design.

Ruston Gas Turbines exports more than 90 per cent of its production (some £90 million each year) to 47 countries. The company has generated its own funding for extensive investment in modern manufacturing facilities and product development based on its own technological research.

Source: Fellowship of Engineering press notices, 13.12.83.

STANDARDS

A report entitled *The Government Response to the ACARD[1] Report on Facing International Competition* was published on 5 December 1983. The earlier report, *Facing International Competition* (see p 274, 1982), had examined the impact of standards, regulation, certification and approvals on product design in the light of the potentially crucial role played by good design and quality in bringing about market success. The central conclusion of the report was that excellence in design and quality was essential if British manufactures were to be competitive both at home and in export markets. The Government, as a large-scale purchaser and a regulatory authority, should make greater use of certification and approval schemes. The report recommended that British Standards ought to embody good and sound industrial practice for the manufacture of well-designed products; that the Government should create a better administrative framework which would support and use standards and certification and approval schemes to a far greater extent than at present; and that industry and the professional bodies should devote more effort to generating British Standards and establishing approval schemes, setting them at a level that would make British products more competitive in their design and quality.

In its response to the report the Government stresses its agreement with ACARD that good standards and quality will help to improve the international competitiveness of British products. The ACARD report had added strong and independent support to proposals designed to enhance the status of standards and quality assurance in Britain made in the White Paper *Standards, Quality and International Competitiveness* (see pp 272-4, 1982). Wide-ranging initiatives had already been taken by the Government to implement these proposals.

ACARD had called for the setting-up of an advisory group to help to ensure that industrial and commercial considerations were taken fully into account in the Government's standards and

[1]Advisory Council for Applied Research and Development.

quality policies; in *The Government Response* it is announced that a National Economic Development Council task force (established under the chairmanship of Sir Frederick Warner to assist in making proposals about priorities for standards-writing and new product certification and approval schemes) will perform this role.

The report also supports ACARD's recommendations directed at the private sector: the Government's initiatives will only succeed if industry takes equally positive action to improve its participation in the standards-making process, to use standards in its purchasing and to speed adoption of quality management systems.

Source: *The Government Response to the ACARD Report on Facing International Competition*. Available free from Department of Trade and Industry, Standards and Quality Policy Unit, Ashdown House, 123 Victoria Street, London SW1E 6RB.

TOURISM: 'HERITAGE '84'

Britain's heritage is to be a central theme for encouraging tourism to Britain in 1984, the Minister of State for Industry, Mr Norman Lamont, said in a speech in London on 4 January. Addressing a trade association meeting, he said that the idea had been conceived by the tourism industry and was being co-ordinated and promoted overseas by the British Tourist Authority (BTA) under the title 'Heritage '84'. Britain's heritage – its history, culture and traditions – had always been a major attraction to overseas visitors, particularly those from North America. It was a theme of immense scope to which the BTA, the national tourist boards and the tourism industry itself were all strongly committed. Among events which had been arranged were the International Garden Festival in Liverpool, Delius concerts in Bradford, a major Arts Council exhibition on Romanesque art, special events concerning industrial archaeology, a festival of stately homes, celebrations of a number of important literary anniversaries, a festival of architecture (to mark the one-hundred-and-fiftieth anniversary of the Royal Institute of British Architects) and a series of events to celebrate Britain's Christian heritage organised by a multi-denominational body.

Tourism was undoubtedly one of Britain's most important industries, Mr Lamont commented. It was a major source of foreign currency earnings, and provisional figures for the first ten months of 1983 showed an increase in spending by overseas visitors of 18 per cent over the same period in 1982. The Government was determined to encourage the industry's development.

A statement of tourism policy, incorporating a review of the tourist board structure, was made to the House of Commons in November (see pp 439-40, 1983).

Source: Department of Trade and Industry press notice, 4.1.84.

RATES

The Government has announced the 1984-85 rate support grant settlements[1] for England, Wales and Scotland.

In England a planned level for local authority expenditure of £22,883 million (current expenditure of £20,389 million and non-current expenditure of £2,494 million) has been taken into account in determining grant. Aggregate Exchequer grant will amount to £11,872 million, equal to 51·9 per cent of expenditure. Specific grants (for the police, for example) will total £2,143 million, transport supplementary grant £400 million and national parks supplementary grant £5·5 million, leaving some £9,323 million for rate support grant. Domestic rate relief (which modifies the impact of rates on domestic, as opposed to industrial and commercial, premises) will cost £692 million so that £8,631 million remains for distribution as block grant.

In Wales a planned level for local authority current expenditure of £1,253 million and of non-current expenditure of £187 million, making a total of £1,440 million, has been taken into consideration for fixing grant. Aggregate Exchequer grant will be £996 million, equal to 69·2 per cent of expenditure. Specific grants will be £138·8 million, transport supplementary grant £31 million and national parks supplementary grant £1·9 million so that rate support grant will total £824·3 million. Domestic rate relief is £25·3 million, leaving £799 million for block grant.

In Scotland local authority planned expenditure of £3,205·9 million, consisting of current expenditure of £2,736·6 million and non-current expenditure of £469·3 million, was the basis for arriving at a figure for grant. Aggregate Exchequer grant will be £1,930 million, equal to 60·2 per cent of expenditure. Specific grants will be £216·8 million. Scotland does not have supplementary grants for transport and national parks so that rate support grant will amount to £1,713·2 million.

On 20 December 1983 the Rates Bill was published, giving effect to proposals outlined in a White Paper of August 1983 (see pp 307-8, 1983). It allows the Government to fix upper limits on the rates set by the small number of local authorities that have gone in for excessive spending; gives the Government power, subject to parliamentary approval, to set upper limits on the rates of all authorities; and introduces a number of specific reforms, particularly to help business ratepayers. The Bill, which applies to England and Wales only, received its second reading in the House of Commons on 17 January. The debate on second reading will be covered in the February issue of *Survey of Current Affairs*.

Sources: *Hansard*, Vol 50, No 70, cols 1003-5; Vol 51, No 74, cols 273-5; Vol 50, No 71, cols 1191-2; Department of Environment press notice, 20.12.83.

[1]Rate support is a system whereby central government supplements the finances for current expenditure of local authorities (about one-third of which is derived from rates – local property taxes) so that they can provide services for which they are responsible to similar standards while reducing disparities in their rates.

INTELLECTUAL PROPERTY RIGHTS

A consultative document entitled *Intellectual Property Rights and Innovation* was published on 20 December 1983. The Chief Scientific Officer to the Cabinet Office, Dr R. B. Nicholson, had been asked to study whether the national system of intellectual property rights was well suited to encouraging innovation.

The Government welcomes the report's recommendations, which are intended to improve the awareness of the value of intellectual property rights and of their accessibility and usage, particularly by individuals and small businesses. In her introduction to the report the Prime Minister, Mrs Margaret Thatcher, says: 'The application of innovative new techniques to . . . processes, designs and administration is vital to survival and expansion . . . . Few companies . . . could afford to embark on expensive programmes of research and development without the assurance that ownership of the fruits of this will be safeguarded. That means that those individuals generating new ideas . . . should take very seriously indeed the protection of those ideas – generally known as intellectual property – through patents, copyright and registered designs.' Because of the complexity of the subject, the Government is seeking views on the report before deciding how to act on its recommendations.

The consultative document suggests that the Patent Office should become a separate statutory body with a management board and advisory committees appointed by the Secretary of State for Trade and Industry, who should retain the power to issue directives and set fees, and also that it should impress upon people the importance and value of intellectual property.

On the role of government, the document recommends the establishment of a Whitehall Liaison Group on intellectual property with a secretariat provided by the Department of Trade and Industry. It also suggests that, when developing policy on international aspects of intellectual property, the views of British industry should be properly taken into account, and that the Government should press for early implementation of the Community Patent Convention. (The Convention, signed by the member states of the European Community in 1975 (see pp 413-14, 1975), but not yet fully ratified, provides for a Community-wide patent, awarded by the European Patent Office.)

On the extension of intellectual property rights, the document recommends that services should be covered, thus bringing British practice into line with that in many other countries including important British markets.

On the use and abuse of rights, it suggests that employee inventors should be given rights to take title in their inventions which are not being exploited by their employers.

Source: *Intellectual Property Rights and Innovation*. Cmnd 9117. HMSO, £4·65. ISBN 0 10 191170 X.

SOCIAL AND CULTURAL AFFAIRS

Measures against Misuse of Drugs and Solvent Abuse

The Government's commitment to combat the misuse of drugs, through measures to stem the flow of drugs from abroad, to control drugs prescribed in Britain, to check trafficking, to introduce deterrents, and to dissuade young people from experimenting with drugs, has been reaffirmed by the Home Secretary. Ways of preventing the misuse of solvents by young people were announced on 15 December 1983.

Misuse of Dangerous Drugs

In a speech to members of the London Diplomatic Association in London on 14 December 1983 the Home Secretary, Mr Leon Brittan, referred to an 'upsurge in the abuse of dangerous drugs'. While warning of the size of the problem and the difficulty of changing the trend in the short term, he emphasised that this must not be an excuse for 'complacent inactivity'.

Drugs from Abroad

Mr Brittan said that action would be taken to stem the flow of drugs from abroad. In addition to the already doubled contribution to the United Nations Fund for Drug Abuse Control, the Government would (subject to Parliament's approval) give another £180,000 to strengthen law enforcement efforts in Pakistan. Over 80 per cent of heroin seized in Britain in 1982 had come from that country. A British customs officer would work full time in Karachi to strengthen liaison with Pakistani law enforcement agencies. A senior British police officer would also be posted to work full time with the Dutch authorities in the Netherlands, which was a major centre for heroin distribution in Europe. Customs activities in Britain were being more selectively targeted and, since 1979, the number of officers specialising in the detection of heroin had doubled. Britain would ratify the 1971 Convention on Psychotropic Substances, which extended international controls to synthetic drugs like barbiturates. Mr Brittan stressed that international co-operation in turning off the flow of dangerous drugs was vital and promised that the Government would redouble its efforts in all of the international organisations concerned.

Drugs Prescribed in Britain

Action would also be taken to further control drugs prescribed in Britain. There would be better security for stored drugs following the recommendations of the Advisory Council on the Misuse of Drugs.[1] Dipipanone, the most common drug of addiction after heroin, would be added to the list of drugs for which doctors required a special licence to prescribe to addicts. Mr Brittan said he was also considering extending the list to include all opioid controlled drugs, and that barbiturates would be included within the scope of the Misuse of Drugs Act. In future the Home Secretary would be prepared to issue temporary directions to stop doctors prescribing while they were under examination for having prescribed irresponsibly.

Police Action

Mr Brittan said that he had had discussions with chief constables, who had agreed to the need to continue to give high priority to dealing with drug traffickers. Proposals were in hand to update computer back-up to the Central Drugs Intelligence Unit at Scotland Yard through which nationwide enforcement activities were co-ordinated. The Home Secretary drew attention to the particular problem posed for the police, given that there may be several links in any chain between the key figures involved and sales on the street.

Deterrence

With regard to deterrents, Mr Brittan made clear his support for the Lord Chief Justice's view that long sentences should normally be imposed for large-scale importation of drugs; he stressed his intention not to grant parole to such serious offenders and said that he would not object to British citizens being severely punished in other countries for drug offences that would be serious offences in Britain. He also announced that he would introduce legislation during the lifetime of this Parliament to provide for confiscation of the proceeds of crime.

Education and Treatment

The Home Secretary said that ways had to be found of dissuading people, particularly young people, from embarking on the disastrous course

[1] *Security of Controlled Drugs*. Home Office, £1. ISBN 0 86252 120 3.

of experimentation. The Government was looking closely at this question and was providing a further £6 million over three years to support local schemes to help addicts.

Conclusion

Mr Brittan concluded by saying that drug abuse was a disease from which no country and no section of modern society seemed immune. It brought ruthless, hardened criminals and weak, self-indulgent users together in a combination which was potentially lethal for good order and civilised values. Stamping it out would be slow and painful and would take time. It required co-operation between governments, law enforcement agencies, the professions, schools and families.

Solvent Abuse

Ways of dealing with the problem of solvent abuse by young people were announced by the Parliamentary Under-Secretary of State at the Department of Health and Social Security, Mr John Patten, in the House of Commons on 15 December 1983 (*Hansard*, Vol 50, No 72 (Part II), written answers, cols 581-3). The sale of solvents was to be curbed by voluntary guidelines agreed between the Government and retailers. More information and guidance would be given to parents and professional staff involved with helping young people avoid or give up glue sniffing. The police were to be made aware of their existing powers to deal with the problem and the Government would consider urgently the case for banning the sale of glue-sniffing kits. Mr Patten said that he was convinced that launching a concerted attack on this problem was the best course of action. A consultation exercise earlier in 1983 had revealed that there was little support for legislation to make glue sniffing a criminal offence. The police already possessed a wide range of powers for dealing with young people. He believed that a clamp-down on sales and practical guidance from his Department would give parents and professional staff the help they needed in preventing and coping with solvent misuse.

Health and Social Security Bill

The Health and Social Security Bill, which alters the law governing the sale of spectacles; improves the status and constitution of family practitioner committees; and establishes a new social security benefit, the severe disablement allowance, was given a second reading in the House of Commons on 20 December 1983. Other matters covered by the Bill include changes in the rules whereby social security beneficiaries may qualify for payments for their dependants; the modification of regulations relating to statutory sick pay; proposals to broaden the membership of social security appeal tribunals; and improvements in certain occupational pension rights.

The Bill was given a second reading by 298 votes to 188 (*Hansard*, Vol 51, No 74, cols 294-368). Its main provisions are as follows.

The Supply of Spectacles

The Bill proposes to abolish rules preventing opticians from advertising their services, and to curtail the present monopoly granted to opticians and doctors for the supply and sale of glasses.

At present rules drawn up by the General Optical Council allow no general advertising of the price of spectacles or of such matters as the speed of service. The new proposals would enable these rules to be amended to allow much freer advertising.

Non-opticians would be allowed for the first time to sell glasses to adults under carefully prescribed conditions. All sales would have to be made against a recent prescription following a sight test by an appropriately qualified optician or doctor. The supply of contact lenses, and of glasses to children, would remain in the hands of opticians. As a consequence of the lower prices for private spectacles which are expected to result from increased competition, the Bill would also end the general provision of spectacles under the National Health Service; such glasses would, however, continue to be available free to children and to other groups such as recipients of supplementary benefit.

Status and Constitution of Family Practitioner Committees

The Bill's proposals would establish family practitioner committees as independent employing authorities in their own right.

At present the committees, which administer arrangements for the provision of family practitioner services provided by doctors, dentists, pharmacists and opticians, are accountable to the Secretary of State for Social Services but dependent on district health authorities for their staff, accommodation and equipment. As employing authorities, the committees would in future be responsible for all their own services, and answerable for their own management costs. The changes are directed towards better management and more positive direction of the family practitioner services.

Severe Disablement Allowance

The Bill would introduce from November 1984 a new severe disablement allowance to replace the existing non-contributory invalidity pension and the housewives' non-contributory invalidity pension. While the non-contributory invalidity pension is at present payable to men and single women who have been incapable of work for more than 196 days, the same benefit (in the form of housewives' non-contributory invalidity pension) is available to married women only after a further test of whether or not they can perform housework (the 'household duties test'). The new benefit, which would be available regardless of sex or marital status, would have the effect of abolishing the household duties test. It would be payable to: those already incapable of work by the age of 20, on a simple test of that incapacity;

those becoming incapable of work after that age, if they are also 80 per cent or more disabled by reference to the measure of loss of faculty used in the industrial injuries and war pension schemes; and all existing recipients of non-contributory invalidity pension, including married women who have satisfied the household duties test.

The new benefit would be at the same rate as the existing non-contributory invalidity pension (at present £20·45 per week). In its first year of operation it is expected that some 20,000 more people will qualify than at present at a cost of about £20 million.

Raising Standards in Schools

Objectives designed to raise standards in schools in England and Wales have been discussed in a speech by the Secretary of State for Education and Science in which he spoke of policies for the curriculum, examinations and the teaching profession.

Speaking at the North of England Education Conference in Sheffield on 6 January, the Secretary of State for Education and Science, Sir Keith Joseph, set out policies for the longer-term development of the education service and spoke of the need for all those involved in the service to clarify and develop objectives.

Resources

The Secretary of State emphasised the importance of the efficient use of resources throughout the educational system. Much had been achieved in recent years to use resources to better educational advantage but the Government's aim was to reduce the share of national resources taken by the public sector. There would be a need to go on removing surplus places in schools; for achieving better value for money in such matters as cleaning, caretaking and energy conservation; for more effective management and deployment of teachers; for tighter staffing ratios in many sixth forms and in further and higher education; for rationalisation within and between universities and colleges; and for the restructuring of some research institutions. A balance had to be struck between the Government's aims for education and its commitment on public expenditure. Sir Keith questioned whether educational aims would necessarily be achieved by extra money and, if extra money were required, whether it could be found by re-ordering priorities and greater efficiency. If extra resources were to be made available those who paid rates and taxes – parents, employees and the public at large – would have to be convinced that the education service's objectives were right. It was not certain that there was even broad agreement on objectives among the constituent parts of the service: he proposed to outline how the Government saw the objectives of the service of which it was a partner.

Raising Standards

The Government's aim was to raise standards and to develop the potential of every child. Schools should equip, with versatile competence, not just the able and quick learners, but every child. Sir Keith acknowledged that many teachers and schools had a hard task; too many pupils lacked the stability and support of a good home or the advantages of an environment which encouraged their development. Teachers had to face the consequences of social difficulties and prepare pupils for work at a time when jobs were scarce. Some schools, through weak management, displayed a lack of direction.

Despite these difficulties the education service should not be satisfied with what pupils attained; moreover, some attainments were not at present systematically assessed. Sir Keith said he regarded the development of records of achievement as important. Many attainments, however, were assessed by examinations and much excellent work went into the preparation and teaching of examination syllabuses. Unfortunately the system did not enable candidates' abilities to be measured because it did not set absolute standards of competence, skill and understanding which pupils of different abilities were expected to attain. Judgment about examination standards could only be broad. Nevertheless, he believed the education service should be dissatisfied with the standards expected and achieved in examinations at the age of 16. There was reason to believe from the experience of the best practice in state schools that substantially higher standards of attainment could be achieved throughout the ability range.

Objectives at 16

It was a realistic objective to bring 80 to 90 per cent of all pupils at least to the level now associated with Grade 4 of the Certificate of Secondary Education, that is the level expected and achieved by pupils of average ability in individual subjects, and to do this over a broad range of skills and competence in a number of subjects. This was the Government's longer-term educational objective for the education service in England and Wales; a similar objective underlay what was now taking place in Scotland. By comparison with 20 years ago, the schools were offering more pupils a broader education, and a larger proportion of pupils were successful in examinations at the age of 16. At the same time, the level of attainment associated with the Ordinary level of the General Certificate of Education had been maintained.

Sir Keith went on to define what he thought the minimum attainment should be for 80 to 90 per cent of 16-year-olds in certain areas of the curriculum. In English, pupils would need to demonstrate that they were attentive listeners and confident speakers when dealing with everyday matters of which they had experience, that they could read straightforward written information and pass it on without loss of meaning, and that they could say clearly what their own views were; in mathematics, that they understood, and could apply the topics and skills in the foundation list

proposed in the Cockcroft Report[1]; in science, that they were willing and able to take a practical approach to problems, involving sensible observations and appropriate measurements, and could communicate their findings effectively, that they could put information to good use in making sensible predictions from the regularities and patterns perceived, and that they could read and act on instructions presented in a variety of ways and could follow safety procedures; in history, that they possessed some historical knowledge and perspective, understood the concept of cause and consequence, and could compare and extract information from historical evidence and be aware of its limitations; and in craft and design, that they could design and make something, using a limited range of materials and calling on a restricted range of concepts, and give an account of what they had done and the problems encountered.

The Curriculum

To achieve these objectives certain changes would be needed to the curriculum of primary and secondary schools and to examinations at 16. The curriculum needed to accord more than it did at present with four principles: breadth, relevance, differentiation and balance. First, it should be broad for all pupils both in the development of personal qualities and in the range of knowledge and skills to which pupils were introduced. That meant, for example, that every primary pupil should be properly introduced to science; and that secondary pupils should not drop subjects in the fourth and fifth years in a way which left them insufficiently equipped for subsequent study or training.

Secondly, the curriculum should be relevant to the real world and to pupils' experience of it. Judged by that test, reports of the schools' inspectorate showed that much of what many pupils were asked to learn was 'clutter'. The test meant, for example, that the curriculum should contain an adequate practical element and promote practical capability for all pupils, not just for those labelled 'non-academic'; that the technical and vocational aspects of school learning should have their proper place; and that all pupils should be introduced to the economic and other foundations of society. Thirdly, there should be differentiation within the curriculum for variations in the abilities and aptitudes of pupils. Fourthly, the various elements of the curriculum should be balanced in such a way as to optimise the contribution that each could make to the total education of the pupil.

A broad consensus about curricular objectives would make it easier to ensure that pupils progressed properly from one stage of learning to the next. High expectations based on defined objectives motivated pupils and helped teachers to develop pupils' potential more systematically. There would be a further gain if curricular objectives were also shared with parents, employers and the tax-paying public. Schools would then be better placed to serve as a force for good in the local community and to associate parents and others with their work in a mutually supportive way.

Examinations at 16

The search for an improved curriculum and higher standards of attainment would require changes in the examination system, especially at 16, whether it was decided to merge or to harmonise Ordinary levels of the General Certificate of Education (GCE) and the Certificate of Secondary Education (CSE). First, the syllabuses for these examinations would need to reflect the improvement to the curriculum resulting from clearly defined objectives. Good progress was being made in this direction, through the work on the draft national criteria prepared by the Joint Council of GCE and CSE Boards and now under discussion between the Secondary Examinations Council and the education ministers. The existing system said a great deal about relative standards between different candidates and much less about absolute standards. Clear definitions were lacking of the level of knowledge and performance expected from candidates for the award of particular grades. In mathematics 60 per cent of school leavers obtained a CSE Grade 4 or above. In English the figure was over 70 per cent. As the Cockcroft Committee pointed out, it was not clear whether the difference in these two figures reflected higher levels of attainment in English or higher expectations in mathematics. There were similar uncertainties in other subjects. A reasonable assurance was needed that pupils obtaining a particular grade would know certain things and possess certain skills or have achieved a certain competence. The more the examinations could measure achievement in absolute terms, the clearer the objectives would be for those teaching and following examination courses.

Values

High standards did not concern only how well the schools developed personal qualities, skills and competence, backed by appropriate knowledge. Equally important was the role which schools played in the transmission of values. In this they supported the work of parents and needed to respect their feelings and beliefs. Society expected schools to be concerned with the behaviour of pupils and with the code by which pupils lived, and to create a model of how people should relate to one another which would guide and fortify their pupils now and later. Parents had a crucial part to play in this. Teachers could not be expected to offset broad changes in behaviour standards in society at large, but schools could make a significant contribution to those standards, and for some young people this might mean that they were diverted from delinquency.

One measure of success was school attendance rates and it was clear that action was needed to reduce truancy. School attendance was the main task of the local education welfare service. Sir Keith said he proposed to ask local authorities to

[1] *Mathematics Counts*. Report of the Committee of Inquiry into the Teaching of Mathematics in Schools, under the chairmanship of Dr W. H. (now Sir Wilfred) Cockcroft, which made recommendations on the teaching of mathematics so that children may be better equipped for further education, employment and adult life in general. HMSO, £5·75. ISBN 0 11 270522 7.

review the priorities and approaches of the education welfare services in the light of this need.

The Teaching Profession

It would always fall to the teaching profession to translate objectives into what pupils actually achieved, said Sir Keith. He shared a duty with employers and teacher trainers to ensure that new entrants were properly selected and prepared for their work. The Advisory Committee on the Supply and Education of Teachers had set out criteria for initial teacher training courses and further consultations were in progress. Another current issue was the selection and appointment of head teachers.

Many of the teachers in service were doing excellent work and their management and the provision of appropriate support, including in-service training, were matters of importance. Since the publication of the White Paper on Teaching Quality (see p 117, 1983) he had discussed a number of themes with education authorities and teachers, and welcomed initiatives being taken to improve the management of the teaching force. Of particular interest was the innovative work in progress in teacher assessment and in schemes of collective self-assessment within schools.

The Way Forward

Sir Keith said that he believed the objectives he had set could be achieved by the systematic development of the policies he had outlined. There would be a number of 'stepping stones' in the coming year – the establishment of an accreditation council for initial teacher training; the decision on the future shape of the examination system based on national criteria; the formulation of a curricular policy in each local education authority area for pupils of all abilities and aptitudes; a definitive statement on the objectives of science in schools; a start on the formulation of grade-related criteria for examinations and the definition of a scheme of pilot projects on records of achievement for all school leavers. He was still considering ways of increasing the influence of parents. The first step of all was consultation. He would welcome discussions with local authorities and with teachers so that constructive reform could be achieved to the benefit of the children and the nation as a whole.

Shorter Notes

CHANGES IN PAROLE SYSTEM

Changes in the parole system were approved in the House of Commons on 12 December 1983. At present, prisoners who have served one-third of their sentences, or 12 months, whichever expired the later, are eligible to apply for parole. Latterly, each year around 10,000 do so, of whom about 5,000 are actually released on licence. Because account has to be taken of remission for good conduct, and because there is also the rule that a prisoner released on parole must serve at least one month on licence, the effect of the present rules is to exclude any prisoner from parole who is not serving a sentence of more than about 19½ months.

The effect of the change is that the minimum qualifying period for parole is reduced to six months. That means that, even when remission and the minimum licence period are taken into account, the effective sentence to which parole will apply is reduced from about 19½ months to about 10½ months. The consequence is that some 19,000 prisoners a year will be eligible to apply for parole as against 10,000 at present. In addition, there will be up to 4,000 young prisoners who will become eligible when the new sentencing arrangements for young offenders take full effect (see pp 39-41, 1982). The Government anticipates that, as a direct consequence of this proposal, the prison population will decrease by around 2,500 in a full year.

At the same time, however, a distinction will be drawn between those in prison for crimes of serious violence or drug smuggling and those in prison for relatively minor offences. For those serving sentences of more than five years for violence or drug smuggling, parole will only be granted in exceptional circumstances or in the last few months of a sentence.

Source: *Hansard*, Vol 50, No 69, cols 804-15.

EQUAL PAY REGULATIONS

New regulations which will amend the Equal Pay Act 1970 to allow a woman (or man) to claim equal pay for work of equal value came into force on 1 January 1984.

The Equal Pay (Amendment) Regulations 1983 were introduced by the Government following a judgment by the European Court of Justice that the Act did not fully implement the terms of the European Community Equal Pay Directive of 1975.

Under the Equal Pay Act women are entitled to equal pay with men when doing work which is the same, or broadly similar, or which has been given equal value under a job evaluation study. The new regulations will allow equal pay claims for work which is not similar or which has not been covered by a job evaluation study, but which is judged to be of equal value in terms of the demands made on the worker. Claims will be permitted when jobs are already covered by a job evaluation study, if it can be shown that the study was discriminatory on grounds of sex. A woman claiming equal pay will not have to prove that the discrimination was due to sex; instead, it will be

open to an employer to justify his case by showing that a variation in pay was due to a factor other than sex, not just a factor personal to the woman. Claims will be heard by industrial tribunals, which will consider reports from independent experts in most cases.

The regulations were approved by the House of Commons on 20 July 1983 and by the House of Lords on 5 December.

Source: *Hansard* (*HL*), Vol 445, No 44, cols 882-90 and 894-930.

DOCUMENTATION

Government and Administration

Public Bodies 1983. Lists and provides factual information about nationalised industries, public corporations, non-departmental public bodies and National Health Service authorities. HMSO, £10. ISBN 0 11 630472 3.

Race Relations. A Review of Policies and Procedures in the Civil Service. The report gives details of the review's findings, and makes recommendations on how procedures can be improved to eliminate the possibility of unfair racial discrimination. It covers recruitment, allocation of duties, promotion and selection for training. Unpriced from Management and Personnel Office, Equal Opportunities Branch, Standard House, Northumberland Avenue, London WC2N 5AA. ISBN 0 7115 0056 8.

Fire Statistics: United Kingdom 1982. Home Office, £3·50. Available from S3 Division, Home Office, 50 Queen Anne's Gate, London SW1H 9AT. ISBN 0 86 252123 8.

Annual Abstract of Statistics 1984 Edition. Central Statistical Office. HMSO, £17·95. ISBN 0 11 620100 2.

Northern Ireland Annual Abstract of Statistics. No 2 1983. HMSO, Belfast, £10·50. ISBN 0 337 23405 1.

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The Protection of Military Information: Report of the Study Group on Censorship. Ministry of Defence. Cmnd 9112. HMSO, £6·40. ISBN 0 10 191120 3.

British Aid Statistics 1978-1982. Statistics of UK Economic Aid to Developing Countries (see p 11). Available from Overseas Development Administration, Eland House, Stag Place, London SW1E 5DH. £5. ISBN 0 902500 10 4.

United Nations Conference on Trade and Development. Report . . . on its Sixth Session, Belgrade, 6 June to 3 July 1983, with Related Documents. Cmnd 9102. HMSO, £7·65. ISBN 0 10 191020 7.

International Convention against the Taking of Hostages. New York, 18 December 1979-31 December 1980. The Convention entered into force in June 1983 and Britain's instrument of ratification was deposited in December 1982. Cmnd 9100. HMSO, £1·75. ISBN 0 10 191000 2.

Agreement between the . . . United Kingdom . . . and the . . . Yemen Arab Republic for the Promotion and Protection of Investments, Sana'a, 25 February 1982. The agreement entered into force on 11 November 1983. Cmnd 9096. HMSO, £2·25. ISBN 0 10 190960 8.

Montserrat. COI, No 202/83.

Economic and Scientific Affairs

Economic Trends Annual Supplement 1984 Edition. Brings together long runs, some as far back as 1946, of quarterly and annual data for key series of economic statistics. Central Statistical Office. HMSO, £13·50. ISBN 0 11 620093 6.

Family Expenditure Survey 1982 (see p 26). Department of Employment. HMSO, £14. ISBN 0 11 361242 7.

Multinational Investment Strategies in the British Isles. A detailed survey of 140 companies in Britain and the Irish Republic which are affiliates of multinational enterprises based elsewhere in Europe and the United States. Department of Trade and Industry. HMSO, £15·95. ISBN 0 11 513741 6.

Britain's Tax System. COI, No 217/83.

Customs and Excise. Seventy-fourth report of the Commissioners for the year ended 31 March 1983. Customs and Excise receipts rose by 11 per cent over the year, to £28,000 million, equal to 40 per cent of central government revenue from taxation. Value added tax yielded £13,800 million, 17 per cent more than in 1981-82, and accounted for 49 per cent of total receipts. Duties on hydrocarbon oil, tobacco products and alcoholic drink made up 42 per cent of the total.

Administrative costs amounted to £353 million, about 1·26p for every £1 of net revenue. Cmnd 9087. HMSO, £7·55. ISBN 0 10 190870 9.

New Cross Building Society. The Chief Registrar of Friendly Societies has judged that the New Cross Building Society was in danger of over-reaching itself; he has therefore prohibited it from taking further investments. A merger with the Woolwich Equitable Building Society has been proposed, which will enable investors to be repaid in full. Cmnd 9033. HMSO, £6. ISBN 0 10 190330 8.

Health and Safety Executive: Manufacturing and Service Industries 1982 Report. HMSO, £5·75. ISBN 0 11 883734 6.

Safety Assessment Principles for Nuclear Chemical Plant (Health and Safety Executive Nuclear Installations Inspectorate). Available from Health and Safety Executive, St Hugh's House, Stanley Precinct, Stanley Road, Bootle L20 3QY. £3·50. ISBN 0 7176 0153 6.

The Relative Pay and Employment of Young People, by William Wells (Department of Employment Research Paper No 42). Available free from Research Administration, Department of Employment, Steel House, Tothill Street, London SW1H 9NF.

Regional Industrial Development (see p 15). Cmnd 9111. Department of Trade and Industry. HMSO, £2·70. ISBN 0 10 191110 6.

Regional Industrial Policy: Some Economic Issues (see p 15). Available from the Library, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET. £3.

Pleasurama PLC and Trident Television PLC and Grand Metropolitan PLC. A report on the proposed merger of Pleasurama PLC and Trident Television PLC and on the merger situation between Grand Metropolitan PLC and Trident Television PLC. The Monopolies and Mergers Commission concluded that the proposed acquisition by Pleasurama of Trident and the consequent merger between Grand Metropolitan and Trident would be against the public interest and should not proceed. The Commission's recommendation has been accepted by the Secretary of State for Trade and Industry who will be asking the Director General of Fair Trading to seek undertakings from Pleasurama not to proceed with the proposed acquisition. Cmnd 9108. Monopolies and Mergers Commission. HMSO, £5·55. ISBN 0 10 191080 0.

Energy Conservation Investment in Industry: An Appraisal of the Opportunities and Barriers. Energy Paper No 50. Department of Energy. HMSO, £5·45. ISBN 0 11 411125 1.

London Transport and Traffic. COI, No 125/83. (French and Spanish editions available.)

Casualties to Vessels and Accidents to Men. Vessels Registered in the United Kingdom. Return for 1982. Department of Transport. HMSO, £4·95. ISBN 0 11 550637 3.

Science and Engineering Research Council. Report for the year 1982-83. HMSO, £5. ISBN 0 901660 55 8.

The Government Response to the ACARD Report on Facing International Competition (see p 27). Available free from the Department of Trade and Industry, Standards and Quality Policy Unit, Ashdown House, 123 Victoria Street, London SW1E 6RB.

Intellectual Property Rights and Innovation (see p 29). Cmnd 9117. HMSO, £4·65. ISBN 0 10 191170 X.

Oil Pollution of the Sea. The Government Response to the Eighth Report of the Royal Commission on Environmental Pollution. Pollution Paper No 20 (see p 25). HMSO, £4·20. ISBN 0 11 751685 6.

Agriculture and Pollution. The Government Response to the Seventh Report of the Royal Commission on Environmental Pollution. Pollution Paper No 21 (see p 24). HMSO, £4·20. ISBN 0 11 750021 6.

Social and Cultural Affairs

Social Trends No 14 1984. A Central Statistical Office publication which brings together key statistics on social policies and conditions. The subjects covered are: population; households and families; education; employment; income and wealth; resources and expenditure; health and personal social services; housing; transport, communications and the environment; leisure; participation in society and law enforcement. It includes an article on changes in the lifestyles of the elderly since 1959 and a special section on the unemployed. HMSO, £19·95. ISBN 0 11 620098 7.

The Control of Firearms in Britain. COI, No 60/83.

Supplementary Benefits Handbook 1983. Explains for the general reader the working of the supplementary benefits system. Department of Health and Social Security. HMSO, £2·50. ISBN 0 11 760917 X.

Education Statistics Digest. Provides statistics for most aspects of education. (Most of the figures are for England only.) Available from Room 337, Department of Education and Science, Mowden Hall, Staindrop Road, Darlington DL3 9DG. £2.

Science at Age 11. A report by the Department of Education and Science's Assessment of Performance Unit on the performance of 11-year-old children in science. Available from Association for Science Education, College Lane, Hatfield, Herts AL10 9AA. £1. ISBN 0 86357 004 6.

How Well Can 15-Year-Olds Write? A report comprising examples of pupils' writing of a survey conducted in 1980 by Her Majesty's Inspectorate of schools. It is intended for parents, employers and others with a concern for the performance of school pupils. Available free from Publications Despatch Centre, Department of Education and Science, Honeypot Lane, Stanmore, Middlesex HA7 1AZ.

9-13 Middle Schools: An illustrative survey. A report by Her Majesty's Inspectorate of schools, following inspections of 48 middle schools catering for 9- to 13-year-olds, which assesses how well the schools provide for pupils in the age range and how well pupils respond to the education offered. HMSO, £4·95. ISBN 0 11 270556 1.

Curriculum 11-16. Towards a Statement of Entitlement. A report on a six-year partnership between a number of local authorities, schools and a group of Her Majesty's Inspectors designed to examine and improve curricula and classroom practice. The report proposes an 'entitlement curriculum' including study of eight areas of experience. (The project was initiated when the Labour Government was in office.) HMSO, £3·50. ISBN 0 11 270537 5.

Report by the Minister for the Arts on Library and Information Matters during 1983. Cmnd 9109. HMSO, £1·75. ISBN 0 10 191090 8.

English House Condition Survey 1981. Part 2: Report of the Interview and Local Authority Survey. HMSO, £5·85. ISBN 0 11 751720 8.

Nature Conservancy Council: Ninth Report covering the period April 1982-March 1983. ISBN 0 86139 260 4. Available from the Nature Conservancy Council, Attingham Park, Shrewsbury SY4 4TW. £2.

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